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## The Nation's Business

Bank of Canada Shareholders Disturbed

Hepburn Leads Political Attack On Bank

The Finance Ministry

The World Outlook Unsettlement Still Ahead

### Bank of Canada Gyrations

DURING the past week, shares of the Bank of Canada have taken a considerable tumble. Investors bought them originally—less than a year ago—at $50. They advanced to $66½ and are now quoted around $53½.

There are two immediate causes for the drop. The first is the reiteration by Mr. King of the Liberal policy of public ownership for the bank. The second is the hint at Ottawa reported in last week's Post, that the Liberals, if returned to power, would pay only par plus accrued dividends for the shares of the bank.

Thus, at the very start of the career of Canada's central banking institution, its shares have become a very speculative sort of investment. The 12,000 investors who bought them are in the main people interested more in yield and safety than in market appreciation. The original purchasers have their assurance of both safety and yield but subsequent buyers now find that they have been gambling. They already have a book loss on their shares.

Those who bought shares at prices in the neighborhood of $66½ have, in one sense, no one but themselves to blame for their present paper losses. Certainly the Liberal party has always been on record for nationalization of the bank and, in the event of a Liberal victory in the forthcoming election, the taxpayers could hardly be expected to pay a premium up to one-third for shares that had at all times a small limited dividend. But if Mr. King gets his chance to buy in the shares some premium would be just; first, to compensate investors for the disturbance of what they were given to believe was a long-term investment; second, to allow for the lower yields at which the money must now be invested.

If the Conservatives are returned the problem will not arise; the bank will remain—as it should be—privately owned, and the shares should sell upward in line with other high-grade investments paying 4½ per cent.

And it may even be that Mr. King will himself become convinced of the grave dangers in public ownership and political control of central bank operation and prefer to continue the present system of an independent, safe-guarded institution working in close harmony with the government.

• • •

IT IS most unfortunate that political considerations have forced such untoward gyrations in the shares within a very few months of their issuance. Considering the possibility of a change of government, a price of 66½ was always a great hazard and brokers who boosted their sale at that price did their clients a disservice. At that price the highest possible yield was only 3.38 per cent—which was too low to compensate for the political factors present. Yet many people have honestly invested in the shares at prices above the present market—although below the peak—and they rightly feel that they should not be forced to take a loss to satisfy one party's desire to differ with what another party has done. With 12,000 shareholders concerned, Mr. King—if elected—will have a ticklish problem on his hands.

The Financial Post has always warned its readers that buyers of the shares were taking a chance on having them expropriated at a price some new government might fix arbitrarily. Nevertheless it hopes that public opinion may yet save the bank from becoming a purely political instrument. Continuance of the bank under its present semi-private ownership would incidentally dispose of the problem of what price to pay the shareholders.

• • •

### Premier Hepburn and Bank of Canada

THE attack upon the Bank of Canada made this week by Hon. Mitchell Hepburn, premier of Ontario, is not without its value. For it indicates exactly the sort of pressures to which the bank would be subjected if it were made a publicly-owned institution subject to the dictation of the politicians.

Mr. Hepburn declares that when the province recently failed to ob-

(Continued on page 2, col. 4)

## CENTRAL BANK SHARES SLUMP TO RECORD LOW

### Nationalization Means Puzzle in Setting Redemption Price

### SAY $50 UNFAIR

### Investors Perturbed Over Possibility of Loss on What Seemed Prime Investment

If and when the Bank of Canada is nationalized, it will mean a serious problem in determining the price at which shares will be redeemed.

The thousands of investors in the bank's shares were perturbed over Ottawa reports last week that a Liberal win in the forthcoming federal election would probably mean redemption of their stock at $50 a share. So much so that the shares dropped to $53 each, the lowest quotation on record. This compares with a recent price of $58 a share and a high last May of $66½ a share.

**Depends on Election**

Whether or not the bank will be nationalized, of course, depends on the outcome of the federal election in September. If the present government were to be defeated, no matter which of the other major groups were victorious, nationalization would be probable.

The burning question is: At what price would the central bank's shares be purchased by the government?

Although it has been indicated in informed party circles that a Liberal government would buy in the shares at $50 each, there is a strong body of investment opinion which considers this would be unfair and therefore unlikely.

**Considered Prime**

The 12,000 Canadians who bought the bank's shares at $50 each in September, 1934 did so in the belief that the stock was virtually a gilt-edged investment. The yield of 4½ per cent, provided the maximum cumulative dividend was paid, was higher than that available on government bonds. Since that time, yields on government bonds have fallen.

It is contended that investors in the bank's shares are entitled to some premium, if their investment is to be taken from them, so as to compensate for the decline of interest rates. The argument is that if government bonds are worth more than they were last September, so are the bank's shares. Since 4½ per cent government bonds have risen about three per cent in value in the past 11 months, this argument would only justify a premium of three per cent, or $1½ a share, in redeeming the bank's stock.

**Losers at $50 a Share**

All those who added to their holdings subsequent to the original subscription would lose money if the stock were redeemed at $50 a share. It has never sold below $53 a share, which means that those who bought on the open market paid at least a six per cent premium above the $50 par.

No one got more than 15 shares at $50 each in the allotment to original subscribers. Many shareholders sold all or part of their stock at a premium and many added to their holdings. There is a number of investors now holding the maximum of 50 shares each. This means that premiums were paid for 35 of the 50 shares.

**Broadened Holdings**

Some shareholders got around the limitation of holdings to 50 shares for any one person by buying stock for relatives. Thus, a husband and wife may hold 50 shares each and 50 in trust for each of their children, and so on. In such cases redemption of shares at $50 each would mean a substantial loss on what had seemed a first class investment.

Redemption at $50 a share would leave a profit only to those who sold their original allotments and to those who bought and sold at a profit on the open market. Original shareholders would lose nothing but a good investment, and those who bought on the market would lose the premium paid for shares.

**Suggest 10% Premium**

Some shareholders of the bank suggest that a premium of 10 per cent, that is a price of $55 a share, might fairly be paid for the stock. Any price placed on the shares would, of course, be arbitrary. For

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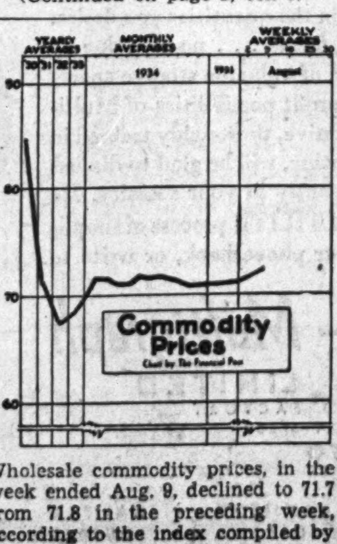



Wholesale commodity prices, in the week ended Aug. 9, declined to 71.7 from 71.8 in the preceding week, according to the index compiled by the Dominion Bureau of Statistics.

## Consol. Bakeries Sales Show Gain

Consolidated Bakeries of Canada so far in 1935 has been experiencing better earnings than in 1934. Bread prices have been higher and the situation in the Montreal area has improved. The sales in 1934 were greater than in 1933, so that the continued improvement is encouraging to investors who are hoping for another dividend payment in 1935.

In 1934 the company earned 60 cents a share and paid 25 cents a share on April 3, 1934. It paid 20 cents a share on January 2, April 1 and July 1, 1935. Already 40 cents a share has been paid against 1935 earnings and hope is high that another 20 cents a share may be declared this year.

## LEGAL ARMS OF NEW DEAL NOW MOVING

### Twelve Measures of Bennett Government Swing Into Action

### DATES DIFFER

**From Our Own Correspondent**

OTTAWA.—The new deal legislation of 1935 is rapidly being unlimbered. While some of the statutes will not become effective until 1936, the bulk of them will be in operation within six weeks. Great interest is being manifest among business men as to how some of these statutes—notably the Criminal Code—are to be enforced

There were a round dozen new deal acts. Here is the roster with an explanation of each piece of legislation.

**Marketing Act Amendments**—These provide more severe penalties for failure to obey orders issued by local boards. There have not yet been prosecutions under the new law.

**Eight-Hour Day Law**—to come into effect three months after receiving royal assent. The bill was assented to July 5 and will come into effect October 5.

**Weekly Day of Rest Bill**—Already in operation. It too was to become effective three months after receiving assent. This was given April 4.

**Economic Council of Canada**—This act is now in effect but under its terms the government must pass an order-in-council containing the regulations under which the council will function. This order has not been passed and so, while in force, the act has not yet become operative.

**Minimum Wage Act**—Now in force with the exception of section 4 which is the all important section in the statute. This section will not be effective until proclaimed and no proclamation has yet been issued.

**Wages and Labor** — The statute providing for fair wages and hours of labor in public works and contracts will not become effective until May 1, 1936.

**Combines Act**—The new Combines Act goes into effect on Oct. 1, 1935.

**Weights and Measures** — Amendments to the Weights and Measures Act, making the penalties more severe and providing for a staff of inspectors, is now in force but to date there has been little change from the old order of enforcement. The government is moving toward the creation of a suitable staff and gradually the administration will be tightened up.

**Trade and Industry Commission**—This Act becomes effective Oct. 1, 1935.

**Criminal Code**—There are three sections of importance in the amendments to the Criminal Code. The section dealing with false advertising does not go into operation until Jan. 1, 1936. The other two sections—section 6 dealing with wages and employment and section 8 dealing with discounts rebates, etc—are now in force.

**No Federal Enforcement**

Many enquiries have been received from business men as to the method of enforcement. In point of fact, the Dominion Government does nothing to enforce the Criminal Code. The Code is the law of the land. Anybody can go to a magistrate and swear out a charge against a citizen for an infraction of this law. As a rule, enforcement devolves largely upon provincial attorneys-general, though the police authorities in suppressing crime rely largely upon it.

The director of public prosecutions, who will be appointed under the Trade and Industry Commission Act, may initiate prosecutions, if occasion warrants, under the Code but unless the police authorities, the provinces or ordinary citizens seek to enforce these two sections they will probably become dead letters on the statute books, just as are scores of other sections in the Code.

**Companies Act**—Amendments to this act are to be made effective on September 15. The law provided that the amendments were to be brought into force, in whole or in part, upon proclamation. It was believed, from the wording of this provision, that the government proposed to proceed cautiously and apply some of the new provisions in advance of others. The whole of the amendments, however, now stand proclaimed as of Sept. 15.

**Employment Insurance** — The insurance commission is now in operation.

## HEARST MOVE ON 1936 PAPER CIRCUMVENTED

### Price Bros. Tempted With Offer Which Would Have Set Price

### PRODUCERS UNITED

### Prospects for Adherence to Higher Newsprint Price Next Year Best in Many Months

**From Our Own Correspondent**

MONTREAL. — Efforts of the Hearst newsprint buying organization to contract for delivery of newsprint paper in 1936 at the current level have been circumvented. For the first time in several years Canadian manufacturers are adhering to a common policy, raising the hope of an upward readjustment of the price of newsprint at the beginning of the coming year.

The too rapid expansion of the newsprint industry brought about a state of over-capacity in 1928. Followed a break in the price. Further downward adjustments in the price schedule were made, but in the fall of 1933 an attempt was made to secure a better price. This was unsuccessful.

**Forestall Price Increase**

Late last year conditions were regarded as opportune for another attempt to raise the price of newsprint to a level permitting profitable operations. Whether or not this move would have been successful is problematical, as Hearst and Scripps-Howard joined forces to successfully block the effort by inducing St. Lawrence Paper Mills to contract for the supply of about 30,000 tons of paper during 1935 at the then existing price level.

Since the beginning of the current year rising costs have made it imperative that the manufacturers secure a better price for their product. Nothing could be done, of course, until the renewal of contracts came up for consideration in October and November. In the meantime steps were taken to secure closer co-operation among manufacturers, especially on the matter of refraining from making commitments for 1936 deliveries on a basis contrary to the common welfare of the industry.

**Hearst Tempts Price Bros.**

While these negotiations were in progress, representatives of Hearst again attempted to play the game which was so successful last year. A block of about 60,000 tons of newsprint paper for 1936 delivery was offered to Price Bros. & Co. at the market.

This company, now in the hands of a receiver, is badly off for newsprint tonnage. Had the offer been accepted, Hearst would have repeated his success of a year ago and a price increase blocked for another twelve months.

Immediate steps were taken to keep Price Bros. & Co. in line with the other manufacturers. Arrangements were concluded in the past few days under which Price Bros. refused the tonnage offered by Hearst.

This tonnage has also been offered to another Canadian company short of business but was refused.

**Producers Strengthen Hand**

With an unbroken front presented to those American publishing interests anxious to prevent a rise in the price of newsprint, affairs between the "longs" and "shorts" settled on an amicable basis, the position of the producers is stronger than for many months past.

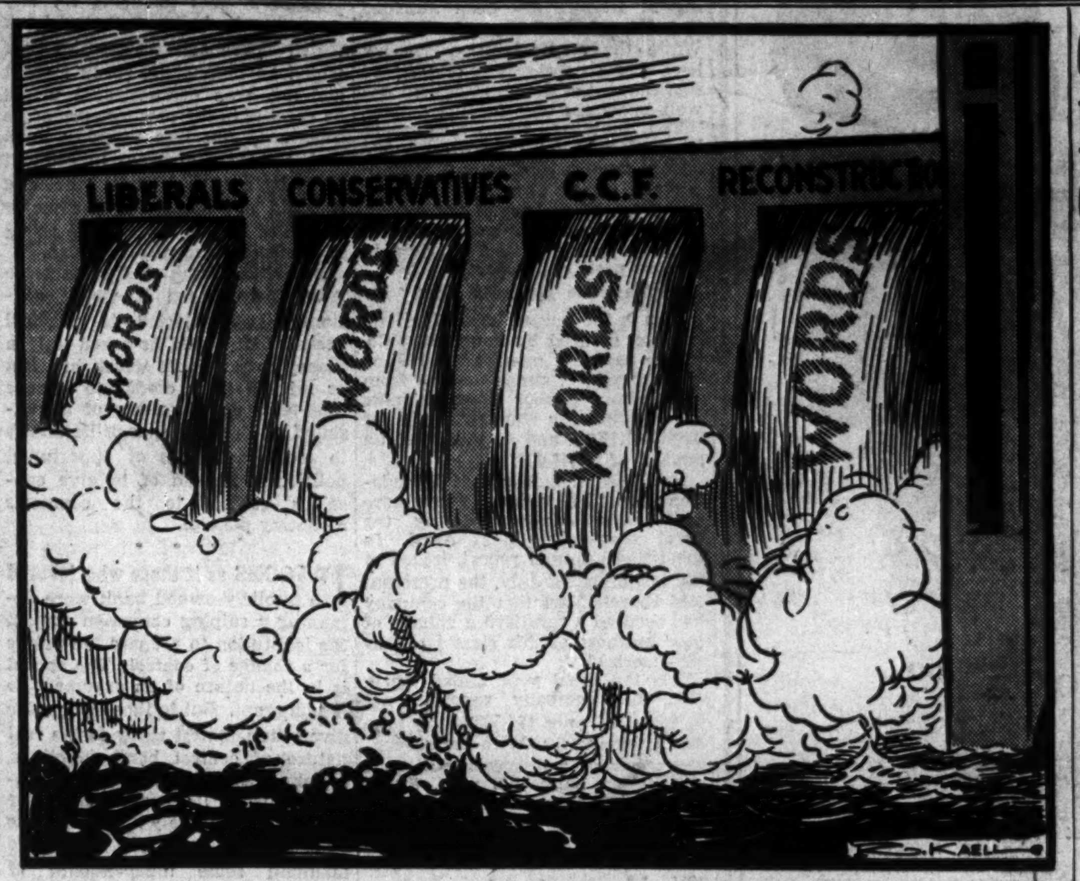
Consumption of newsprint paper in the United States—Canada's largest market—will likely show an increase of about 5 per cent this year, so that there will be some 100,000 tons of additional business available to Canadian companies.

Export demand, exclusive of the United States, has picked up substantially. For the first seven months this year shipments to "overseas" countries increased by 25 per cent over that reported for the same period a year ago.

**Higher Price Looms Up**

Thus with the demand for newsprint paper on the upgrade and manufacturers in common agreement that a higher price is not only essential but necessary, for their own welfare, prospects of bringing about a general increase in news-

(Continued on page 2, col. 4)




—Drawn for The Financial Post by R. Kaell.

A MIGHTY FLOW—BUT HOW MUCH POWER WILL IT GENERATE?

## FUR BUILDING FOR LANGLEY PROFITS DOWN

### Bad Weather Prevented Improvement in Earnings in 1935 to Date

### WINTER DISAPPOINTS

Langley's, Ltd., had operating profits of $31,553 for the first 28 weeks of 1935 before depreciation as compared with $34,845 for the same period of 1934, preferred shareholders are told in a letter accompanying the third quarterly cheque in 1935. Winter trade was disappointing in 1935, the letter states.

March volume was low due to a late Easter and the cool, wet weather in June had an adverse effect on volume.

The company on August 6 made an important departure in operating policy. Its two-story garage at the corner of Yonge and Davenport streets has a 50-foot frontage on Toronto's main retail street. The front portion of this building has become a large receiving office, taking up one third of the total window space. In the remaining space on Yonge St. the company will demonstrate its Fur-Vita process of cleaning furs. In the fall this building will be announced to the public as Langley's Fur Building and the space now occupied by the fur-cleaning machinery will be utilized for a modern fur showroom.

**Paying Dividends**

Langley's continues to pay the regular quarterly dividend of $1.75 a share on the preferred stock. The preferred is in arrears $12.25 a share, but accumulation of arrears has been arrested by regular payment of dividends for more than a year.

Higher prices for cleaning, which have been fixed by municipal by-law in Toronto, have not been effective in assisting the company's profits. One important reason for this is that the by-law is not being strictly enforced. It is understood that there are only two or three large firms, outside Langley's, which are observing the higher scale of prices.

The effect of partial observance of the higher price scale has been to encourage people to go to small cut-rate cleaners.

The company had a substantial improvement in earnings in 1934. In the past year, the preferred shares advanced from about $55 to about $70 each. The rise in price is attributed chiefly to the scarcity of new investment securities, rather than to changes in the company's position in the present year. In 1934, earnings were sufficient to cover the preferred dividend before deducting depreciation. After this deduction, however, the dividend was not covered.

## Highlights

***Managed Money***

Britain is the world's foremost manager of money. Will this depression expedient become a lasting characteristic of currency control? Page 9. A return to gold would boost prices says the world bank report. Page 8

***Foxy Profits***

Are big profits still available in fox farming? British investors are told so. In Canada, where foxing started, there is scepticism. Page 3

***Newsprint Outlook***

All-important to Canadian newsprint firms as the major market, the United States is urged to encourage its home pulp industry. But no hard blows to Canada's newsprint are intended. Page 9. Price developments for 1936. Page 1

***Deficits and Relief***

Relief costs are driving the Dominion's deficit upward. Page 4. Ontario's deficit may exceed estimates for similar reasons. Page 1. The United States is also struggling for relief from "relief." Page 6

***British Insurance***

Life companies have been enjoying much improved business in Albion. British fire underwriters have low expense ratios. Page 10

***Municipal Sales Tax***

Montreal's sales tax is now expected to produce the full revenue estimate. How it is working. Page 10

***Filling in Blank***

Dr. Charles Camsell, Canada's deputy minister of mines, returns to his birthplace for a rapid-fire aerial survey. This mapping of one of Canada's largest "blank spots" described. Page 14

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| Chrysler | 7 | Northwest. Pwr. | 4 |
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## HIGHER TAXES MORE ECONOMY ONTARIO'S AIM

### Budget Deficit May Exceed Estimate of $14.6 Millions

### RELIEF COSTS HIGH

Ontario faces the possibility that the deficit in the 1935-36 year may be considerably higher than the budget estimate of $14.6 millions.

Premier M. F. Hepburn announced in the past week that revenue would be $10 to $15 millions higher than in 1933-34, the last complete fiscal year. He also announced, however, that Ontario's share of direct relief costs in the first four months of the current 1935-36 year was $12,536,652.

Significance of these statements is that the resultant deficit on ordinary account may reach $20 millions or even more. This is the major reason why provincial officials have been trying to slash relief and other costs.

**Seeking Revenue**

It is in an effort to bolster revenue that Ontario has entered suit against more than a score of corporate tax defaulters and is investigating succession duty receipts for recoverable evasions. Further additions to revenue are expected to come from new taxation, some already imposed, more to be introduced. Relaxation of taxation in Ontario appears distant, unless relief charges are virtually amputated.

As to expenditures, substantial savings have been made in some directions. Administrative costs have been reduced. This has been offset, however, by high costs for relief of unemployment.

Developments of the budget year are clarified in comparison with the government figures:

**Ontario Budget**

| | *1935-36 | †1933-34 |
|---|---|---|
| | $ | $ |
| Ordinary: | | |
| Revenue | 59,785,527 | 50,067,841 |
| Expenditure | 74,391,873 | 80,667,091 |
| Ord. deficit | 14,606,346 | 30,599,250 |
| Capital: | | |
| Revenue | 2,677,937 | 122,913 |
| Expenditure | 19,553,388 | 33,273,103 |
| Cap. deficit | 16,875,451 | 33,150,190 |
| Excess exps. | 31,481,797 | 63,749,440 |
| **Relief Expenditures | | |
| Ordinary | 15,000,000 | 17,159,551 |
| Capital | 10,000,000 | 22,100,194 |
| Total | 25,000,000 | 39,259,745 |

*Estimate for year to Mar. 31, 1936.
†Actual year to Oct. 31, 1934.
**Included in budget figures above.

The increase of revenue predicted by Mr. Hepburn is really a reiteration of the budget forecast. It adds a possible further increase of over $5 millions to the estimated revenue, however.

**Relief Costly**

The relief figures are tabulated separately above, showing the significance of outlays of $12,536,652 in four months. The winter has yet to come. And the cost of direct relief is already within $2.5 millions of the whole year's estimate. Thus, it appears the relief estimate in the budget may be as much as $10 millions too low. The government is aware of this and is concerned about it.

Mr. Hepburn's revelation of direct relief expenditures for four months excludes relief works on capital account for which the budget provided $10 millions in connection with the trans-Canada highway. This provision is being spent and so offers little, if any, margin to absorb extraordinary costs of direct relief.

The capital account budget for 1935-36 cut expenditures materially. Thus, even if the ordinary deficit exceeds expectations by $5 millions or more, the increase in provincial debt should be considerably less than in 1933-34.

**Aim Balance Budget**

Steadfast aim of the province is to work toward a balanced budget according to high officials. Philosophy behind fiscal policy is this: Municipalities have defaulted and resorted to provincial assistance. If provincial finances deteriorate, it would mean recourse to federal assistance.

## C. S. L. OUTLOOK HINGES ON PLAN OF GRAIN BOARD

### Grain Traffic to Date Worst in Years — Wheat Sales Would Help

### BANK LOANS DOWN

### Other Operating Divisions Are Holding Their Own—Strike of Seamen on Lakes Breaks Down

**From Our Own Correspondent**

MONTREAL. — With the grain movement from the head of the lakes to the Atlantic seaboard worse than it has been for several years, Canada Steamship Lines is hopeful that the policies to be determined by the new Canadian wheat board will result in an increase in export sales, with a consequent improvement in its own position.

In view of the delay in announcing the personnel of the board, some time will yet elapse before a statement is made public as to what will be the policy in regard to the wheat now held on government account by the Canadian Co-operative Wheat Producers Ltd., as well as the new crop.

Operators on the Great Lakes are primarily interested at the moment in what will be done with the existing holdings. The new crop, of course, is important in their scheme of things but the wheat now on hand would provide Canada Steamship Lines and other companies with plenty of business once it starts to move to the seaboard.

**Force Lower Rate**

Up to the middle of August the amount of grain handled by Canada Steamship was less than for the corresponding period a year ago. Further, the rate situation has not been satisfactory. In the early part of June, T. R. Enderby, general manager of the C.S.L. stated that freight rates on grain from the lakehead to Montreal would remain at the 1934 rate figure of six cents a bushel. This rate was effective for a while but it is learned that at present the charge is 4½ cents a bushel.

Reduction in the rate to a level which does not permit of an operating profit has not been due to competitive conditions among the carriers, but to the fact that semi-government wheat agency has decided that it will not pay more than 4½ cents a bushel. Operators have had to carry wheat at this price or tie up their ships.

**Depends on Wheat Board**

The policies to be decided upon by the Canadian wheat board will largely determine the financial showing of Canada Steamship Lines for 1935. As mentioned the volume of grain carried to date has been disappointingly small, while the rate has been far from satisfactory. Given a resumption of a more normal movement of wheat to the seaboard, the slack of the past few months may be taken up so that the year's carryings will compare favorably with those for 1934.

**Other Divisions Holding Own**

Other divisions of the company's operations this year have been more encouraging, though no pronounced change has been recorded. Passenger traffic has held up well this year. Weather conditions and the flow of tourist traffic have combined to provide the company with a slightly larger business than was recorded a year ago.

Packet freight also has held up this season. The improvement in business generally along the St. Lawrence and the Great Lakes has been helpful in providing for a small increase in the volume of business offering.

The shipbuilding and repair yards of the company have not had any out-of-the-ordinary jobs to handle this year, while the Century Coal Co. reports business about the same as in 1934.

**Reduce Bank Loans**

While no figures are available on earnings up to the end of August it is understood that income has not been quite as much as last year. On the other hand progress has been made in strengthening the company's balance sheet position. At the end of last year, bank loans were $1¼ million. Since then the loans have been reduced to a point where they no longer rank as a major item among liabilities, cash on hand being more than sufficient to liquidate the loans if necessary.

There is no further word on the possible reorganization of the company. It will be recalled that when

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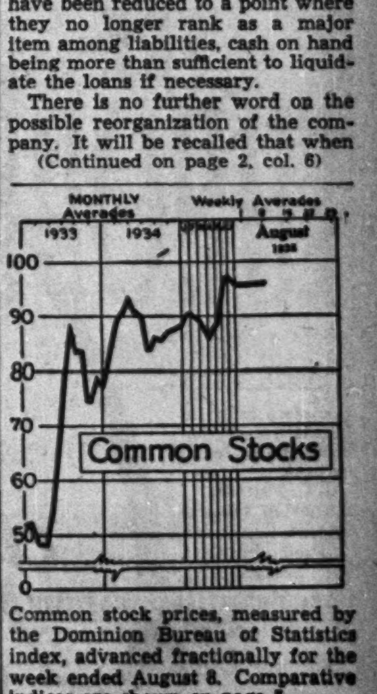



Common stock prices, measured by the Dominion Bureau of Statistics index, advanced fractionally for the week ended August 8. Comparative indices are shown on page 5.

## Hydro-Maclaren Affairs Come to Head on Tuesday

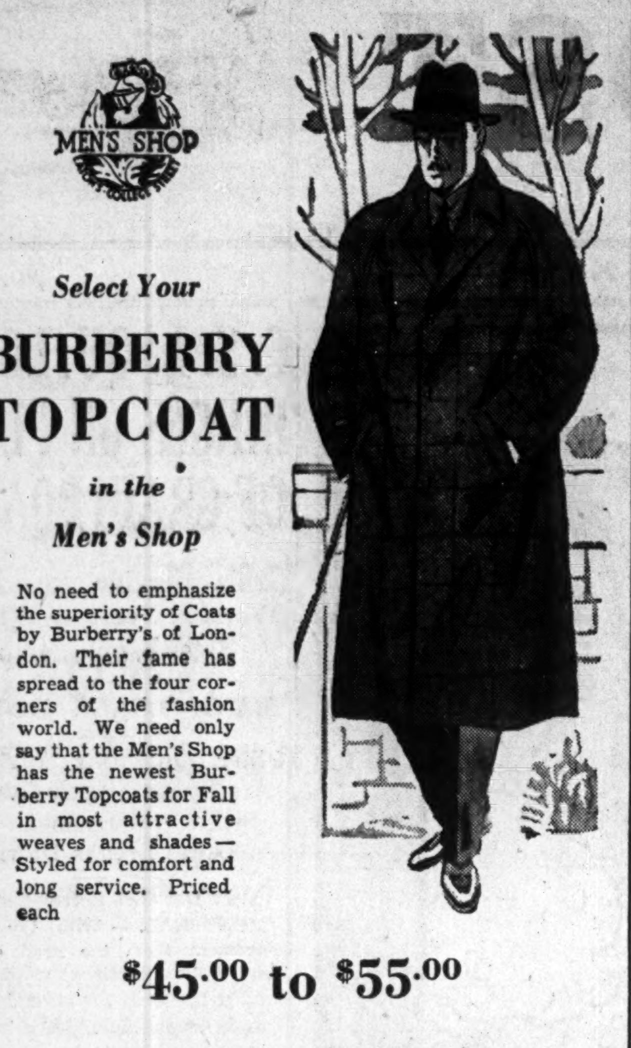
**From Our Own Correspondent**

MONTREAL.—Whether or not Ontario Hydro Power Commission will continue to honor or default on its contract with the Maclaren-Quebec Power Co. will be known by Tuesday next. Early in June the Commission notified the company that it would refuse to accept delivery of the additional 27,000 h.p. which the power company was required to deliver on July 1. The company went ahead and billed the Commission for this additional power, covering July only, on or before August 10.

Under the terms of the contract the Commission has 10 days within which to pay for power billed. Accordingly the dead-line is August 20, by which time Maclaren-Quebec will know whether the Commission intends to honor the contract.

The other Quebec power companies are closely watching developments. There is a confident feeling here that the Commission will pay for the additional power, but there is no evidence to back up this belief. It had been expected that the long-proposed meeting between Taschereau and Hepburn would have been held in time to settle the dispute before bills were sent out, but it now appears that this conference will not take place until after the Federal elections.

Meanwhile those supporting the belief that the Maclaren-Quebec bill will be paid do so on the assumption that Hepburn will maintain the status quo until he has his meeting with the Quebec premier.




Select Your

BURBERRY TOPCOAT

in the Men's Shop

No need to emphasize the superiority of Coats by Burberry's of London. Their fame has spread to the four corners of the fashion world. We need only say that the Men's Shop has the newest Burberry Topcoats for Fall in most attractive weaves and shades—Styled for comfort and long service. Priced each

$45.00 to $55.00

MEN'S SHOP

Bay Street Section

EATON'S - COLLEGE STREET


## Nugold Mining Plans To Start Underground

Nugold Mining Corp. with properties in Ontario and Nova Scotia has appointed Frank Williams, M.E., as engineer in charge of the operations in Nova Scotia, on which Nugold is now concentrating.

The Nova Scotia property was acquired by Nugold early this year from the former Blockhouse Dome Syndicate for 50,000 shares, Nugold assuming the liabilities of Blockhouse Dome.

At the present time, the mining plant with which the property is equipped is being augmented with new machinery, and officials of the company told The Post that actual mining operations should start within 60 days. Former operators at this old property have sunk two shafts to depths of 200 and 110 ft. respectively. These are connected on the 100-ft. level.

Meanwhile, the Ontario properties of the company, at Tashota and at Matchewan, are being kept in good standing, officials stated.

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# FOUNDATION CO. GIVEN CONTRACT FOR HALIFAX JOB

## Will Build Large Federal Office Building — Outlook Brighter

**From Our Own Correspondent**

MONTREAL.—Contract for the new Dominion Government Building in Halifax has been awarded the Foundation Co. of Canada. While the contract price has not been made public, it is understood that the cost of the building will run well in excess of a million dollars.

The building, for which plans have already been drawn up and agreed upon, will occupy a prominent site in the downtown business and financial district of the city. It will house the many federal offices now occupying rented quarters in various parts of Halifax.

**Maritime Business Good**

This is the second large Maritime contract secured by Foundation Co. in the past few months. Last June the company secured the job from the Halifax Harbor Commissioners for building the superstructure for berths 1, 2, 3 and 4, involving an amount of $2,243,000.

Prospects now are that Foundation Co. will be able to report more satisfactory earnings during the fiscal year ended next April. In the 1934-35 annual report, issued at the beginning of July, the president told shareholders that the company had secured a "gratifying volume of new business of this class (specialized work.)"

For the fiscal year ended April, 1935, the company reported net earnings of only $84,583—the lowest in some years. With the government, harbor and specialized work already on hand this year, therefore, it is expected that the trend of earnings will take a more favorable turn.

# Walker Seeks Full Payment On Peoria Fire

Hiram Walker & Sons, Inc., subsidiary of Hiram Walker-Gooderham & Worts, Ltd., is understood to have completed salvage work in connection with No. 3 warehouse destroyed by fire some weeks ago at Peoria, Ill. This salvaging operation was a necessary preliminary to making a claim for loss suffered during the recent fire. The insurance was spread over forty companies, it is understood.

Much has been made in recent weeks of an alleged dispute as to whether or not collapse occurred before the fire started. If collapse took place first, some United States newspapers have suggested that insurance companies could take advantage of the collapse clause found in all United States policies and escape liability.

Officers of the company are strong in the assertion that they expect to be covered for the entire loss. As the building in question was erected by one of the best known firm of contractors in the United States, it is believed that this firm would enter the courts to contest strongly any allegation that the building was not structurally adequate for its work. In other words, collapse did not occur first, it would follow.

The company has not presented its claim yet and no insurance companies have stated their attitude. As things stand, however, the company expects full payment.

# CENTRAL BANK SHARES SLUMP TO RECORD LOW

(Continued from page 1)

this reason, criticism can be made of any redemption price.

Payment of a premium for the shares would mean the government would be taking back at a bonus the shares sold at $50 each in September, 1934. It would be difficult to explain to many electors why this should be done, although pressure of investment opinion might result in such a premium payment.

Moreover, the shares have fluctuated between $53 and $66½ each and payment of $55 a share would leave ground for complaint by those who paid more than that for their stock. Payment of the maximum price of $66½ for all the shares would give the electorate cause for dissatisfaction.

There is no set redemption price for the shares. One daily newspaper reported last week that the call price is $52 a share. This is incorrect, according to official information.

**Alternative Plans**

It is possible that an effort might be made to have the shares bought from investors at the actual prices paid. That is, the shareholder who paid $58 a share would have to establish that he did so in order to get his money back. So with those who bought at $65, $60 or $55 a share. The flaw in this method, of course, would be that the government would still be paying a premium. Only the man who would have pocketed the profit would be he who had sold on the open market shares bought at $50 each from the government in September, 1934.

These are some of the difficulties to be ironed out if a new government nationalizes the bank. It is also possible, but apparently has not been considered seriously, that the bank could be nationalized by increasing the share capital and issuing enough new stock to the government to give it control. This would get around the conundrum of settling a redemption price. Present shareholders could keep their stock.

**Opinion of Election**

A sidelight from the slump of the shares following the report that they might be redeemed at $50 each is that the movement indicates that investment opinion apparently anticipates defeat of the present government. Even if the Liberal party does not dominate the next Parliament, nationalization of the bank would be agreeable to third parties. Hence, if third parties held power, or a balance of power, their indicated policies would require support of efforts to nationalize the Bank of Canada. So, unless the Bennett government is sustained in the election, nationalization of the Bank of Canada seems highly probable.

# The Nation's Business

(Continued from page 1)

tain bids on its bond offering, an appeal was made to the Bank of Canada to finance the province. The governor of the bank proved "elusive," and the bank "failed" Ontario, Mr. Hepburn charges.

* * *

IT IS no function of a central bank under any circumstances to provide permanent financing for any government. And any central bank which purchased securities for which an immediate, ready market had not been demonstrated would be derelict in the performance of its functions. Absolute liquidity must be the essence of every investment made by a central bank; otherwise it could not operate in the major sphere of helping to stabilize prices at home and exchanges abroad.

But if the Bank of Canada were government-owned it would constantly be subjected to political pressure. It would be asked to loan money to provinces which had lost or injured their credit; to finance long-term developments of an unsound nature; to manage its affairs to meet the needs of opportunist politicians instead of to give conscious control to the country's monetary policies.

* * *

IT LOOKS as if those who favored a publicly-owned bank were beginning a sniping campaign against the institution to prepare the public for a change of control. The appeal is in the nature of an argument to the ignorant. But to those who have given the slightest study to the real nature of central bank functions, attacks upon the bank for not stepping outside its proper circle of responsibility merely strengthen the hope that the bank will manage to maintain some independence of party policies. It will be difficult enough, even under the present quasi-private ownership. It would be much more difficult under 100 per cent political ownership.

* * *

### Key Post In Cabinet

THE Financial Post is no more able to say who the next prime minister of Canada will be than is any other paper or person. But even if The Post knew which party were going to win the election, it would feel rather incapable of guessing the name of the man who will occupy the office of minister of finance. Yet that portfolio will be the key post in the cabinet. It makes a world of difference to every Canadian whether a good man or a weakling gets the job.

Mr. Bennett has lost Mr. Rhodes—which is a misfortune—but he is said to have a leading financial man up his sleeve for the position. Mr. King seems not to have either Col. Ralston or Mr. Dunning available. But in the event of a Liberal victory he would probably make such an earnest effort to induce the latter competent and experienced business and political administrator to enter his cabinet that a refusal would be most difficult for Mr. Dunning to persist in.

When the party chieftains are busy presenting their appeals to the electorate they should not overlook the fact that the taxpayer wants to know just who is in mind for the finance ministry.

* * *

### Unsettlement In Prospect

THE business trend is up in the Anglo-Saxon countries. South Africa and Australia have enjoyed recovery for some time. Canada has been advancing steadily for more than two years. England's depression scarcely exists any more; she has in fact experienced something of a boom and the set-back expected in 1935 has not materialized.

In the United States the business and stock market indices have risen rapidly. Rather lavish governmental spending has contributed but basically it is a triumph of recovery itself over "recovery" measures.

In all these countries there are grave doubts as to how long the advance can continue. It is to a considerable extent a prosperity borrowed from the future and prosperity of this type can only be sustained by inflation which would carry the germs of its own destruction, or by more solid improvement, which is an uncertain possibility. Most shrewd United States and European observers give the North American advances another year or two to go before serious readjustment will be enforced.

* * *

WHEN one turns to the continent of Europe, the outlook is obscure almost to the degree of pitch darkness. Mussolini must win in Ethiopia to prevent a collapse in his country. Yet his victory would be such a serious challenge to the prestige of other nations as to present the prospect of other conflicts not long to be deferred. Germany is still an economic enigma but no one can gainsay the menace to continental stability that is presented by Nazi truculence. France continues to spar for time, hoping for some natural solution of her financial crisis, as Laval attempts to compromise between the workers and the rentier groups. But a Left wing revolution is one possibility and a Right wing dictatorship is an alternative possibility. Neither is a very promising prospect for the rest of the world.

Thus, as we move steadily—if slowly—ahead in business and as security prices improve on this continent, there is need for restrained enthusiasm. All is not yet well with the world. Economic unsettlement—against which no single nation can insulate itself—promises to persist for a long time yet.

# Past First Recovery Stage Signs of Reaction Apparent

The first phase of recovery has passed and has been followed by reaction in some countries, according to the Business Barometer of the Federation of British Industries. Although not venturing on a forecast of world conditions, the Barometer states that business in the United Kingdom appears to be assured until the year end, at least.

In making a forecast for the third quarter of 1935, the journal says:

"The world situation has become so confused that it is impossible to rely upon the traditional indices for a forecast of trend.

"Taking the world as a whole, it is becoming increasingly clear that the present year has witnessed the culmination of the first phase of the recovery movement. This has been followed by a reaction which has affected the different trading countries in varying degrees. The U.S.A. and the Gold Bloc countries are the areas in which it has been most noticeable. The United Kingdom, on the other hand, apart from the incidental effects of price and currency disturbance, has managed not only to maintain an even keel, but actually to make substantial headway; though so far as our external trade is concerned it may perhaps be too early for a final decision. Home trade, however, has been immune from its effects and may even be said indirectly actually to have benefitted, as witnessed, for example, by the metallurgical and allied industries.

"The maintenance of our present level of domestic activity, apart from the usual seasonal movement, appears to be assured until the end of the year."

# C. N. E. Space Taken Larger Than in 1934

It takes $1 million to put over the Canadian National Exhibition. Last year despite the bad weather, the Ontario Government defection and its refusal to utilize the Ontario Government building—now known as the National Industries Building—the board came within $18,000 of making all expenses on operating account. This year it is hoped that revenue of more than $1 million will be available. Space sold to date is much ahead of 1934 at the same time. All that remains is for the weatherman to be kind from August 23 to September 7.

Primarily the Canadian National Exhibition was an agricultural show and it still maintains its pre-eminence over other shows of the kind on this continent in the extent of the prizes offered and the attention given to this department. Important as have become the manufacturing and merchant exhibits and the entertainment features of the fair the board still desires to maintain this pre-eminence from the agricultural viewpoint. It is claimed that all exhibits gain in interest when there is a variegated exhibition. More than $100,000 has been set aside in prizes for the agricultural exhibits. A fact not generally appreciated in the rural sections of Ontario is that this generosity is only made possible by revenue derived from other sections of the Exhibition.

## J. M. Wilson Joins Board Canadian Pacific Railway

**From Our Own Correspondent**

MONTREAL.—Hon. J. Marcelin Wilson has been elected to the board of directors of the Canadian Pacific Railway to fill the vacancy created by the death of Hon. Frederick L. Beique, K.C.

Hon. J. M. Wilson is chairman of the board of directors of the Banque Canadienne Nationale, president of Windsor Hotel, Ltd., and a director of Montreal Light, Heat & Power Consolidated, and of Montreal Island Power Co.

## Russian Timber Price Protested by Canada

The charge that Russian timber is being dumped in the United Kingdom will be investigated by the Canadian High Commissioner, Hon. G. Howard Ferguson. Canadians claim that Timber Distributors, Ltd., has cut the price of Russian timber 22 shillings a standard (1,980 feet). Complaint will be lodged under terms of the Canada-United Kingdom trade agreement, in which the British Government agreed to take steps to prevent loss of trade to Canada through price-cutting.

## HEARST MOVE ON 1936 PAPER CIRCUMVENTED

(Continued from page 1)

print prices appear better than at this time last year.

The majority of the American publishers have recognized for some time that an adjustment would have to be made sooner or later, and it is not expected that there will be any pronounced opposition from that source. Scripps-Howard and Hearst are the exception, but the latter has received a setback by failing to get one of the producers to contract for 1936 deliveries at the present price.

**Expect Nominal Advance**

It is still too early to make a forecast as to what the price increase will be or the chances of making the anticipated new charges effective. As mentioned the renewal of contracts does not come up for consideration for another two months, and possible adverse developments may arise, though at the moment none are expected.

As far as can be learned, the manufacturers are more or less agreed that a change in the price schedule should be nominal. This is taken to mean that an advance of $2 to $3 a ton will be asked for, which would just about compensate the producers for the higher costs of the past 18 months and, at the same time, would be of such proportions as would permit publishers to adjust themselves to the higher rate with a minimum of disturbance.

**Summary of Situation**

The present situation of the newsprint manufacturers at the moment is briefly as follows: Hearst's attempt to break the ranks of the manufacturers has been frustrated; closer co-operation exists among the producers; demand for newsprint continues to climb; and while there is no definite assurance of a price increase for 1936, prospects are much better.

Rumors of a change for the better within the industry have been responsible for a renewal of interest in newsprint securities. Demand for bonds, preferred and common stocks has been more pronounced than in many months past. The former have naturally recorded the greatest advance in value as their prospects of recovery rank ahead of other and more junior securities. The low price of the stocks, however, has created a fairly wide speculative following which has resulted in a stronger market but with no material advance in values.

# C. S. L. OUTLOOK HINGES ON PLAN OF GRAIN BOARD

(Continued from page 1)

the company passed the interest on the general mortgage bonds, a bondholders' protective committee was formed. This committee has been closely working with the management, and its policy to date has been not to interfere with the management. Encouraging progress has been made in cutting down bank loans and improving working capital position, and until shipping conditions on the Great Lakes and St. Lawrence are more normal, it is unlikely that the bondholders committee will recommend the carrying out of a financial reorganization.

**Strike Effort Abortive**

During the past week considerable attention has been directed to the affairs of Canada Steamship Lines and other operators on the Great Lakes by an abortive attempt of the National Seamen's Association to call a general lake shipping strike. Beyond the tying up of a few boats for a matter of hours, the strike was unsuccessful.

The purpose of the strike was to seek a general increase in wages. Even before the operators were consulted the association called the men out on strike. It was expected that 3,000 members would respond, but actually only a small fraction of that number obeyed the call.

**Not Well Organized**

The Seamen's Association is understood to be largely a one-man affair. Its finances do not permit a wage dispute with the operators and the weakness of its organization is shown by the manner in which the "strike" fell down. There is said to be considerable dissension among the members as to the manner in which the association's policies have been conceived and handled.

Ship operators do not anticipate that there will be any further trouble as the companies concerned are not in a position to make concessions, while, on the other hand, the men themselves have neither the finances nor inclination to carry out a protracted strike.

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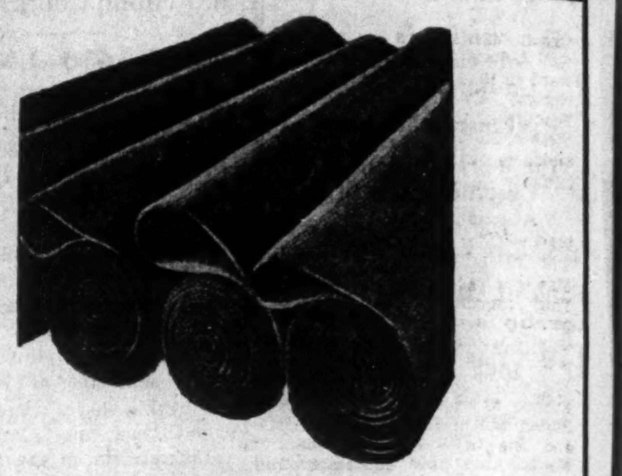

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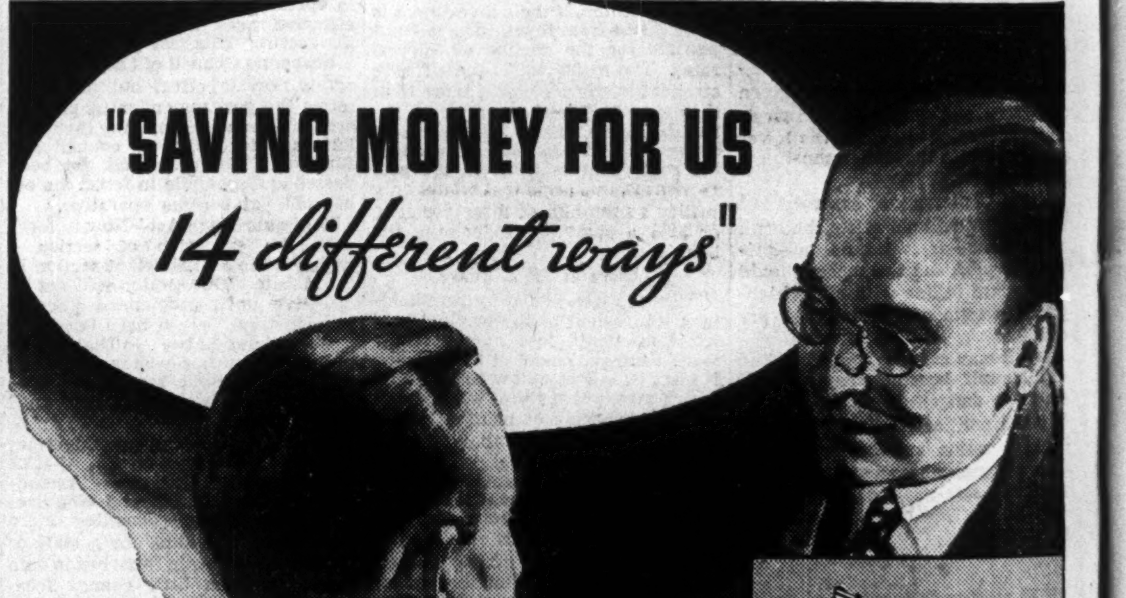


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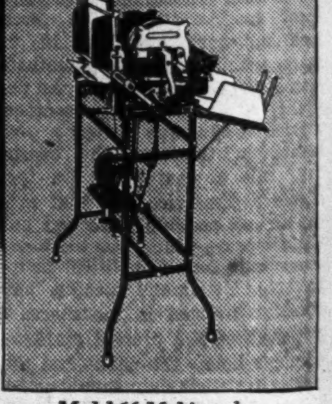

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# Fox Profits

## $1,900 Per Pair Asked of British Investors — Good Pairs Here Sell at $300—Dangle 35 Per Cent Profit

Profits reminiscent of South Sea Bubble days are being dangled before Old Country investors. One expensively printed booklet outlines as "probable" receipts an annual return of a mere 35 per cent on a capital investment of $1,900.

**Fox Investment**

The cash is not to be invested in some fabulously rich gold mine. It is not to be used for smuggling Canadian wheat into Germany and France where the domestic control price, in theory at least, is still comparable to what was paid for Manitoba No. 1 in the good old days when the Dardanelles were blocked and the world was busy with war. Funds are not solicited for some new bootlegging enterprise or for selling arms to Ethiopians. The particular money multiplying machine in this case is the ranched silver fox.

In recent years the breeding of this animal in captivity, first started well before the war in Prince Edward Island, has become popular in Norway, Sweden and Switzerland. Practically all the breeding stock in these countries traces back to P.E.I. which is still regarded as the real home of the industry.

**World-wide Connections**

Via London, a booklet has just reached The Financial Post dealing with the industry in general and the Mascot Organization in particular. This, according to the publicity apparently being percolated through the United Kingdom is a company with world wide ramifications. There are farms and branches in Europe as well as four in United States, one in Prince Edward Island and one in South America. The North American affiliations with their capitalization are stated as follows:

| | Capital |
|---|---|
| Maeser Fur Farm Inc., Hackensack, Minn., U.S.A. | $500,000 |
| International Fur Farms Inc., Aberdeen, S. Dakota, U.S.A. | 100,000 |
| Western International Fur Farm Inc., Casper, Wyoming, U.S.A. | 100,000 |
| Pacific International Fur Co., Seattle, Wash., U.S.A. | 100,000 |
| Maeser Fur Farms Ltd., Summerside, P.E.I., Canada | 250,000 |

**Sell Pairs Not Stock**

Briefly the Mascot Fox, as the organization is called in Great Britain, proposes selling investors pairs or half pairs of foxes rather than stock. These, however, are not usually taken away by the customers to be used as pets or live muffs, but are supposed to be left on any of the Mascot farms where they are put to work propagating their species for the glory of fashionably-dressed women and the profit of Mascot investors. Less five per cent for cash in 30 days, $2,000 buys a pair of these Mascot foxes. There are some incidental expenses. Board for instance is figured at the rate of $75 per fox per year.

The reason for this unusual but not unique departure from orthodox finance is explained in the little booklet which accompanies purchase agreements now being mailed to United Kingdom prospects. "The Mascot concern could have resorted to bank credit, or to the emission of shares for the means toward its development," it is stated, but apparently Mascot regarded the two following reasons as sufficient not to:

**What Is He Worth?**

Canadian authorities say $200 is a top price for the best silver fox but investors are being asked to pay $950 in Great Britain. Board is offered at $75 per fox per year.

**Why Pair Selling**

"In the former instance (bank credit) the independence of an undertaking is usually at stake, since a purely financial and commercial influence may very easily supersede that of primary importance exercised by farmers and veterinary doctors, as well as fur experts who are thoroughly versed in the trade.

"In the latter case (sale of stock) there is again the danger of outsiders acquiring influence detrimental to an undertaking to the extent that a profit-making policy is adopted, which generally overrules the requirements essential to breeding. Besides this, breeding institutions, which to those not conversant with the trades are very difficult to understand, should not be subject to stock exchange fluctuations."

And so Mascot decided that "participation in the form of acquisition of foxes for breeding purposes is, in the long run, therefore best suited to the nature of this class of industry."

**"Probable Receipts" High**

If the table of "probable receipts," enclosed in a neat little envelope attached to the booklet, is any criterion then these live, wriggling fox units are infinitely to be preferred to the ordinary, dull stock shares.

The latter, beyond a little market activity, are usually limited to stock splits at long intervals, whereas Mascot promoters figure on more than a two for one basis every year. Actually the rate of increase is estimated at 125 per cent per fox annually.

The original capital outlay is given as $1,900. This gives the investor one pair of foxes which proceed to turn out what Mascot terms "cubs"

The accompanying table is published by Mascot under the heading of "Example of the probable receipts from the purchase of one pair of Mascot Silver Foxes in U.S.A. dollars":

**Probable Receipts and Expenditures**

| Expenditure | | Receipts | | | %* |
|---|---|---|---|---|---|
| (Stock 2 foxes—Increase 2 cubs) | | | | | |
| Boarding 2 foxes | $150.00 | 1 Breeding fox sold net | | $540 | 18.49 |
| American tax 2 foxes | 4.74 | | | | |
| Rearing fees 2 foxes | 20.00 | | | | |
| Scoring fees 4 foxes | 14.00 | | | | |
| | $188.74 | | | | |
| (Stock 3 foxes—Increase 3 cubs) | | | | | |
| Boarding 3 foxes | $225.00 | 1 Breeding fox sold net | | $540 | |
| American tax 3 foxes | 7.11 | 1 pelt at | $200 | | |
| Rearing fees 3 foxes | 30.00 | Less 10% commission | 20 | 180 | 22.20 |
| Scoring fees 6 foxes | 21.00 | | | $720 | |
| Boarding 1 fox for pelting | 15.00 | | | | |
| | $298.11 | | | | |
| (Stock 4 foxes—Increase 4 cubs) | | | | | |
| Boarding 4 foxes | $300.00 | 3 pelts at $200 | $600 | | |
| American tax 4 foxes | 9.48 | Less 10% commission | 60 | | 6.18 |
| Rearing fees 4 foxes | 40.00 | | | $540 | |
| Scoring fees 8 foxes | 28.00 | | | | |
| Boarding 3 foxes for pelting | 45.00 | | | | |
| | $422.48 | | | | |
| (Stock 5 foxes—Increase 5 cubs) | | | | | |
| Boarding 5 foxes | $375.00 | 1 Breeding fox sold net | | $540 | |
| American tax 5 foxes | 11.85 | 3 pelts at $200 | $600 | | |
| Rearing fees 5 foxes | 50.00 | Less 8% commission | 48 | 552 | 30.27 |
| Scoring fees 10 foxes | 35.00 | | | $1,092 | |
| Boarding 3 foxes for pelting | 45.00 | | | | |
| | $516.85 | | | | |
| (Stock 6 foxes—Increase 6 cubs) | | | | | |
| Boarding 6 foxes | $255.00 | 6 pelts at $200 | $1,200 | | |
| | | Less 8% commission | 96 | | 44.68 |
| | $255.00 | | | $1,104 | |
| (Stock 6 foxes—Increase 6 cubs) | | | | | |
| Boarding 6 foxes | $255.00 | 6 pelts at $200 | $1,200 | | |
| | | Less 8% commission | 96 | | 44.68 |
| | $255.00 | | | $1,104 | |
| Total expenditure | $1,936.18 | Total receipts | | $5,100 | |

*Percentage of net receipts on capital investment.

Briefly Mascot proposes selling its breeding stock to investors at the rate of $950 net for each animal. It suggests $75 per fox as fair annual board. For the progeny of the investors' stock it expresses the hope that young breeding stock will bring $540 apiece and pelts will be worth $180 net.

**$150 to $200 for Best Here**

To Canadians who have had a longer experience with the silver fox industry than any other people, Mascot prices may seem a trifle high. True in the good old days when the industry was just nicely started in P.E.I. but before other districts got into it, values ran into tall figures. At the height of the boom up to $35,000 was handed over for a single specimen. But that was long, long ago.

Today, according to information from the Ontario Department of Game and Fisheries, also according to leading Canadian silver fox authorities, really first class breeding stock can be purchased in this country for $150 to $200 apiece. Good stock can be picked up for $100. Pelts sell at the rate of $50 to $75 and anything above that is exceptional indeed, The Financial Post is informed. With export shipments possible and Canadian fox breeders in touch with the far corners of the earth it is difficult indeed to comprehend such a premium on the Mascot product.

**Now on Pelt Basis**

All Canada, it is said, is now on a pelt basis. That is, the price of breeding stock is based entirely on what the animal would bring if converted into a first class pelt. True there is a premium paid for good breeding stock but this according to the best information obtained by The Post is only about 50 to 100 per cent more than would be paid for the pelt.

This range compares very similarly to the spread between most classes of commercial and pure-bred livestock. For instance a choice quality steer is worth about $7 per hundred pounds on leading Canadian cattle markets today. Assuming the animal weighs 1,000 pounds this would mean a total value of $70. Now a pure-bred Shorthorn breeding cow, capable of producing such steers would only be expected to bring about twice this figure and the same ratio would apply to sheep, hogs and goats.

**Breeding Stock**

But apparently such is not the case in countries where most of the Mascot organizations operate.

"There will come a time when the organization will be forced to institute in all districts a preponderating pelt sale," the booklet states. "Not all the stock of the young foxes will need to be sold for their pelts, however. Every customer will have the right, provisionally to sell through the medium of the organization, a certain number of his young foxes based on the extent of his initial breeding stock. This procedure will be regulated to meet future prevailing conditions."

How these, to say the least, extremely gratifying Mascot prices are arrived at is explained as follows:

"As regards the fixed purchase price, this does not only signify the acquisition of breeding foxes themselves. As a matter of fact it includes 16 per cent for guarantees in respect of breeding and 25 per cent for membership to one of the reliable international sales organizations. Actually the net price of a pair of foxes is $1,180. Similar prices are fixed by other breeding concerns, still financially sound, for first class animals.

**Five Times Pelt Price**

"The difference between the price for live foxes and that for pelts is calculated on a sound basis, the price of the latter amounting on an average hitherto to about one-fifth of the former. The price of a pair of foxes is adjusted according to the condition of supply and demand. So far we have experienced no difficulty in selling all of those young foxes suitable for breeding which our customers have commissioned us to dispose of at the concern's fixed prices."

**Muskrat Farms**

Some years ago an epidemic of muskrat selling broke out in Central Canada, particularly in the eastern districts of Ontario and the western sections of Quebec. In this case as with the present Mascot selling scheme, investors were urged to buy livestock rather than shares in the companies being promoted. Potential clients were told of the great multiplying qualities of the muskrat, how a pair would soon develop into a whole flock, herd or drove, or whatever a large group of such animals is called.

Although commercial muskrat pelts were worth less than a dollar apiece at that time up to $75 per pair was asked for specially selected breeding rats. The plan was pushed hard and many farms were started about ten years ago, but The Post is informed that very few survived and there is no record of any fortunes having been amassed by pair buyers.

**Previous Fox Booms**

Shortly before the muskrat boom there was a large amount of fox selling on the same basis. The investor would purchase a pair or pairs of breeding foxes which remained on the farm of the seller. Such a plan even where the farms were small and in the neighborhood of the buyers did not generally prove satisfactory, it is understood.

Frequently the buyer complained that when sickness broke out, "it was always my fox which ailed," when pups were lost, "it was always my pups which died," yet when the food bills came in, and foxes eat a lot of very expensive foods, "apparently my foxes had voracious appetites."

These complaints, while heard frequently, were as often based as much on ignorance as fact but they did illustrate the hazardous nature of the investment and the necessity of the business being entrusted to highly skilled operators.

# Municipal Finances

**Toronto** assessment for 1936 in six of nine wards shows an increase of $1.7 millions. Completion of assessment however, is expected to result in a net decline, following the trend for the past few years.

• • •

**Toronto** council has approved the proposal to build a tunnel to Toronto island to connect with a projected airport. City's share of cost will be $460,314, to be financed by issue of Harbour Commission, city-guaranteed, debentures. Dominion government contribution to cost is $1,000,000, the whole project to be turned over to city or harbor authorities upon completion. By financing through Harbour Commission debentures the city avoids the necessity of getting approval of Ontario authorities for the necessary borrowing.

• • •

**Sarnia** current tax receipts for six months were $366,046 compared with $347,560 in the same 1934 period. Collections of arrears also increased.

• • •

**Windsor** finance commission has recommended, and council has approved, levying of a municipal income tax on 1935 incomes. Householders with income above $3,000 and non-householders with income over $1,500 annually would be taxable. Since Ontario is about to introduce a provincial income tax, the right of Windsor to levy a similar form of taxation may be taken over by the province. The advantage in imposing the tax in Windsor, however, is that if the province levies income tax it will probably make an annual grant in lieu of the tax to those municipalities which had one in force. Thus, by providing an income tax, Windsor would stand to receive an allowance from Ontario.

• • •

**Quebec** city executive committee has approved a five-year debenture issue of $500,000 carrying a 3½ per cent coupon. A commission of 1½ per cent is to be offered to sellers of the loan. The committee has approved arrangements for a four per cent rate on a loan of $500,000 from Banque Canadienne Nationale, effective from May 1, 1935.

• • •

**La Tuque**, Que., has been authorized to redeem bonds which matured on or prior to Aug. 1, 1935. Quebec Municipal Commission advises that they will be paid at Banque Canadienne Nationale.

• • •

**Ste. Anne**, Chicoutimi County, Que., has been authorized to pay coupons and to meet interest on matured but unpaid debentures.

# RECOMMEND B. C. TAKE OVER COST OF EDUCATION

## Report Suggests New Provincial Taxes and Relief for Municipalities

Financing and administration of British Columbia's educational system should be completely revised, according to a report by Harold B. King, adviser of the B. C. commission on school finance, made recently to Hon. George M. Weir, Minister of Education.

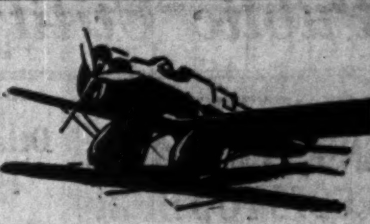
The King report recommends that cost and administration of education be taken over from municipalities by the province. To pay for it, new land taxes and increased income tax, or, alternatively, a one per cent sales tax, could be levied by the province, it is suggested.

**Cost $3 Millions**

Instead of some $3 millions of municipal land taxes, this amount would have to be raised by general provincial taxation to make the change. The proposed land tax would be three or four mills on real property and the recommended income tax increase is a rise from one to two per cent on present taxable incomes.

The recommendations would have the effect of lifting from B. C. municipalities the burdens thrown back upon them in the depression when the provincial government reduced grants and gave back social service expenses to them. The King report coincides with the recent statement by Ontario's Minister of Education, Dr. L. J. Simpson, that his province would relieve municipalities of a large part of educational costs. No immediate action has yet been indicated however, in either British Columbia or Ontario.


WHO WILL GUIDE IT?



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## Piggly-Wiggly Dividend Draws from Surplus

Payment of the $3.50 a share on July 15, semi-annual dividend on the seven per cent preferred stock of Piggly-Wiggly (Canadian) Ltd., was made by drawing on surplus, it is stated officially. Severe competition in western Canada where this retail grocery chain operates prevented the company from earning its preferred dividend in the fiscal year which ended June 30.

Annual statement for the recently-closed fiscal year will be available shortly. Last year's statement showed net profit of $81,359 available for dividends on the $834,500 of preferred stock. Surplus was $191,611 at June 30, 1934. The working capital was $203,561, but current assets were only about 1.5 times current liabilities.

## Immigration Figures Down from Last Year

Immigration to Canada in the first half of 1935 was down 18 per cent from the corresponding period of last year, according to figures released by the Department of Immigration and Colonization. During the period 4,961 persons entered the country, compared with 6,047 in the first six months of 1934. Almost half of the immigrants were from across the border, and a further 900 from the United Kingdom. As compared with the same month last year, each month this year has shown a decrease ranging from 12 to 22 per cent.

**Junior Grain Clubs**

A total of 139 Junior Grain Clubs have been organized in Alberta this year, with over 2,000 members, compared with 104 clubs in 1934.


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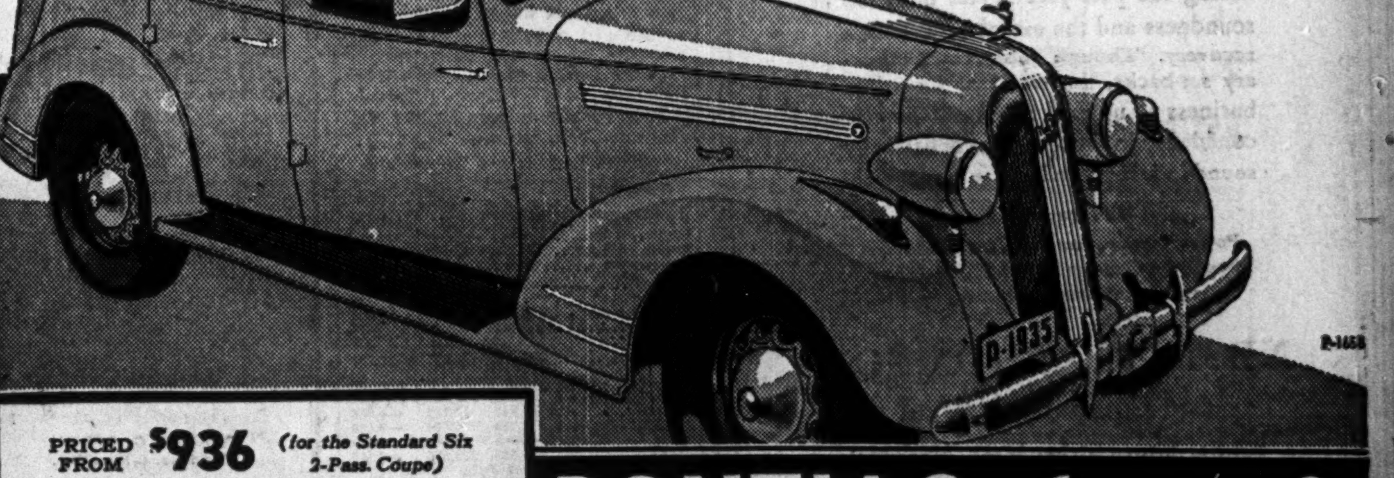


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# Public Utility News

## B. C. ELECTRIC RY. DENIES CHARGES COSTS TOO HIGH

### Report to City on Fare Agreement Gets Criticisms

From Our Own Correspondent

VANCOUVER. — Affairs of B.C. Electric Railway in their relationship to the city of Vancouver are ventilated in the report of a survey conducted for the city by A. J. Smith. He is the engineer expert engaged by the council to prepare the "background" for negotiations when the company's agreement is terminated in November.

Officials of B.C. Electric promptly took issue with the report, vice-president E. H. Adams asserting that it could not be regarded as a reliable, impartial and seriously-considered analysis of the value, service and operating results of the Vancouver street railway system.

The city is free to take over the B.C. Electric at any time as a city-owned utility and the city should exercise that right if it places any credence in the Smith report, said Mr. Adams.

**McGeer Criticism**

Mayor McGeer, largely responsible for engaging Mr. Smith, himself termed the report as inadequate.

"The city council is going to need a great deal more information than that contained in the report before we are going to be in a position to negotiate a new street car fare agreement," said the mayor.

Mr. Smith in his survey maintained that present street car fares paid in Vancouver were sufficient to pay the company an annual return of 8.79 per cent on its legitimate investment if the company followed normal economical methods of operation. This return compares with 1.75 per cent admitted by the company for the fiscal year ending June 30, 1931, and 6.75 per cent which Mr. Smith believes to be a fair net income. Conditions have not materially altered since 1931, he contends.

**Favors Revision**

Mr. Smith believes the present agreement with the company should be revised. To make sure that the company did not charge more than the actual cost of service, plus a reasonable return on its investment, he advocated appointment of a city manager or public utilities commissioner charged with regulating the rates, service standards, accounting methods, competition and extensions, and fixing the valuation of physical assets upon which the company's maximum net income would be based.

Mr. Smith opposed the suggestion that such matters should be regulated by the province, and similarly he rejected the present practice of term agreements between city and company. He reported to the city that the financial position of B.C. Electric was very strong, but that the "operating ratio," which is the cost of operation divided into the gross revenue, was 83 per cent—far too high in his opinion. In the present case he would allow not more than 65 per cent. He claimed that wages to motormen and conductors were about 15 per cent too high.

Mr. Adams, spokesman for the B.C. Electric, picked many defects in the Smith report, and charged that many of its passages had been deliberately "cribbed" from engineering textbooks and interpreted in such a way as to produce arguments to the disadvantage of the company. Mr. Adams claimed that L. R. Nash was the authority chiefly quoted by Mr. Smith, but that while Nash had used wide variations between high and low figures Smith had adopted a series of arbitrary standards.

## Ottawa Helps Dosco Finance Rail Order

From Our Own Correspondent

MONTREAL. — Bank advances obtained by Dominion Steel and Coal Corp. in connection with the manufacture of steel rails for Canadian National Railways, on which repayment has been guaranteed by the Dominion Government, have been reduced to less than one-third of the original figure. The amount of the guarantee was $1.1 millions, which has now been reduced to less than $315,000.

Contract for the C. N. R. rails was placed with Dosco partly as an unemployment measure. The company has used this business as a "back-log" in its effort to further foreign trade. Results along that line have been particularly encouraging, relatively substantial orders having been received from England and South Africa.

## C.N.R. Refunding Plan Proceeds Upon Set Lines

From Our Own Correspondent

MONTREAL.—Roughly one third of the proceeds of the Dominion Canada bond issue floated in the United States this week will be used by the Dominion Government to redeem $26 millions of the Canadian National Railway 4½ per cent bonds when they are called for payment on 15 September at a premium of two per cent. This issue was brought out in 1924 and ordinarily would not mature until 1954.

At the last session of the House authority was created for a refunding programme on maturing and callable Canadian National Railway issues up to an amount of $200 millions. During the first half of the year, $29,887,800 of bonds matured. In addition the company has called, including the September 15 issue, $61 millions of 4½ per cent bonds which would not ordinarily mature for some years. There are still three callable issues of nearly $100 millions which may be retired.

So far one direct issue has been placed by the railway company, $48.4 millions of bonds, of which $35 millions were used to take care of the $35 millions issue of 4½ per cent bonds which were called on June 1.

Allowing for the premium necessary on four out of the five callable bonds, authorities expect that the refunding can be done on a cost basis of about 3½ per cent basis, which would result in an annual interest bill of about $7.1 millions compared with $9.2 millions as estimated at the time the enabling legislation was passed.

## Northwestern Power Plan Meets Approval

From Our Own Correspondent

MONTREAL. — Northwestern Power Co. bondholders voted unanimously in favor of the Winnipeg Electric Co. plan of reorganization at a special meeting held in Montreal this week. Representatives of certain English bondholders, who had formerly expressed disapproval of certain points and favored an adjournment to see what Manitoba Power bondholders would do, threw in their lot with the majority and voted for the plan.

Under the reorganization scheme holders of Northwestern Power bonds will receive $400 principal amount series "A" and $600 principal amount of series "B" general mortgage bonds, eight class "A" shares and $28 face value of contingent certificates for each $1,000 principal amount of bonds held.

Holders of scrip certificates, including interest, issued by Northwestern Power will receive $1 in cash for each $5 of principal amount of certificates.

**Part of Larger Scheme**

The reorganization of Northwestern is part of the larger scheme to bring about a financial reorganization of Winnipeg Electric Co. and all its controlled subsidiaries. It was found necessary to reorganize the parent company inasmuch as it was unable to fulfill its obligations in connection with Northwestern Power and other subsidiaries.

To date the plan of Northwestern Power is the first to be approved conditional upon the plan being accepted by the holders of securities in the other companies. Manitoba Power called a meeting last week, but as a quorum was not present, the meeting was adjourned. Meetings of Winnipeg Electric and other units have yet to be held.


STABILITY

THE marked improvement in earnings reported by individual corporations and the steady upward movement of basic business indices during the past year reveal both the soundness and the extent of Canada's recovery. Though subject to temporary set-backs, the trend of Canadian business is upward and must inspire confidence in the securities of basically sound industrial and utility companies.

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## Bell 'Phone

### Profits Off, Says President, But Six Per Cent Will be Paid

From Our Own Correspondent

MONTREAL.—Operations of the Bell Telephone Co. of Canada for the first half of the current year were not quite as profitable as in the like period of 1934, moderately lower net revenue resulting from increased expenses, heavier taxation and reduced tolls, according to a statement issued by the president, C. F. Sise.

It is possible that profits for the entire year may be off somewhat from 1934, when the present six per cent dividend on the common was earned by a small margin, but in all probability 1935 net will cover dividends. In any case, it is stated, should earnings not meet the full six per cent rate, the dividend will be maintained.

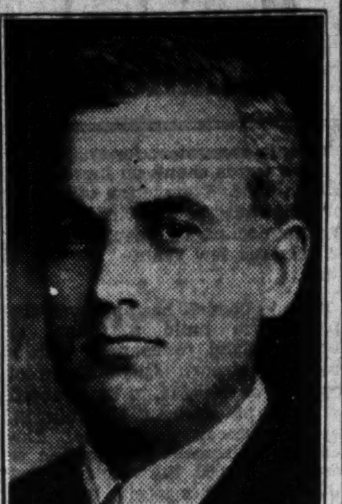
In the first six months long distance revenues were lower, reflecting reduced stock market activities. In the second quarter, installation of new stations failed to maintain the aggressive trend of early 1935. Up to August 3 results have been disappointing with the loss of 6,224 telephones in Montreal and Toronto alone, the loss here being more than three times that in Toronto. There has, however, been a gain in telephones elsewhere in Ontario and Quebec of 5,250, so that the net loss to August 3 is 1,350. While this is less than last year when the loss was 2,397 telephones at the same date, it shows a change in trend because losses are now all in the larger centres whereas last year they were more general.

During the current year, states Mr. Sise, the company has done much toward restoration of wage discounts, etc., instituted as a measure of economy in 1933, but a portion of the staff is still on short-time. On the whole, he feels that operating results to date this year have not been discouraging.

## Report Lower Deficit Newfoundland Railway

It is believed that the Newfoundland Railway is at last approaching a paying basis. Estimates for the 1934-35 fiscal year place expenditures at $2.7 millions and receipts at $2.65 millions. Usually adverse weather conditions, involving slowing up of winter traffic, and delay in opening navigation this spring, prevented a surplus on operating account. This year's showing was the best since the Government acquired ownership in 1922. Since that time the probable cost to the country has been over $20 millions.

Holds Presidency



ARNOLD C. MATTHEWS
Who remains president of Canada Malting Co., but relinquishes the position of managing director to Eric S. Clarke. Mr. Matthews, who, since the death of Wilmot Matthews, had held both positions, will continue to supervise the company's affairs. Mr. Clarke, whom the board has elected managing director, has been on the directorate since the inception of the present company in 1927.

## Imperial Tobacco Builds Warehouse at Leamington

A new warehouse to provide additional storage capacity of 5 million pounds of tobacco is being undertaken by Imperial Tobacco Company at its Leamington plant. The new building will be of reinforced concrete and galvanized iron and will cost approximately $50,000.

## Public Utility Earnings

**Mexican Light & Power**

| June: | 1935 | 1934 | Decrease |
|---|---|---|---|
| | $ | $ | $ |
| Gross earn. .. | 645,470 | 685,855 | 40,385 |
| Oper. exp. .. | 472,014 | 458,089 | *13,925 |
| Net earn. .... | 173,456 | 227,766 | 54,310 |
| Gross from Jan. 1 ..... | 3,797,702 | 4,182,219 | 384,517 |
| Net from Jan. 1 ..... | 1,079,023 | 1,511,894 | 432,871 |

*Increase.

**Jamaica Public Service**

| June: | 1935 | 1934 |
|---|---|---|
| | $ | $ |
| Gross earnings ....... | 69,299 | 69,515 |
| Net earnings ......... | 27,641 | 27,200 |
| Surplus after charges | 19,014 | 18,158 |
| 12 Mos. end. June 30: | | |
| Gross earnings ....... | 841,139 | 812,157 |
| Net earnings ......... | 343,190 | 329,137 |
| Surplus after charges | 238,221 | 216,191 |

The above figures converted from £ sterling at the rate of $4.86-2/3 to the £1.

# Dominion Deficit

## Improved Position Current Budget May Not Last

Dominion government budget experience in the first four months of the 1935-36 fiscal year indicates a trend toward a higher deficit. Early income tax receipts have given the appearance of a surplus, but as has been explained in The Post, income tax revenues dwindle after April and May.

In the four months ended July 31, the government accounts show an improvement of $10 millions over the same period of 1934. Revenue was $12.1 millions higher and expenditure $2.1 millions above the 1934 figures. In June and July, however, the improvement over last year lessened. At the end of June, the net improvement in revenue and expenditure over 1934 had been $11.6 millions.

**Outlook for Year**

Improvement or deterioration of the budget position for the remainder of the year, which ends March 31, 1936, depends largely on business conditions. Changes in taxation appear to have been given nearly full weight in the first four months. The one exception to this is the gold tax which has disappeared as a source of revenue. Thus, there is little likelihood of present tax rates alone causing increases in revenue. A greater volume of business from which revenue would arise is the chief hope of reduction of the deficit from last year's $116.1 millions.

It is noteworthy that in July ordinary revenue was slightly below that for the 1934 month. Lower revenues are coming in from customs duty and excise taxes. Excise duties are showing only intermittent gains. Income tax increases seem to have shot their bolt.

**Expenditures Rise**

Meanwhile expenditures are on the increase and will continue above last year's level. This is partly due to restoration of salary reductions to civil servants. Chiefly, however, it is caused by relief and works expenditures. Although capital expenditures and "non-active" loans have been reduced, expenditures under the 1934 public works act, designed as a relief measure, are swelling "special" expenditures.

Unless further business recovery boosts customs and excise receipts, the rising tide of expenditures may bring an increase in the total deficit for 1935-36. C.N.R. experience indicates that no important reduction of the rail deficit is yet in sight, whereas the present probability is that this charge on the government will rise.

Four months budget figures, excluding C.N.R., follow:

**Dominion Revenue and Expenditures Four Months Ended July 31**

| Revenue: | 1935 | 1934 | Change |
|---|---|---|---|
| | $ 000's | $ 000's | $ 000's |
| Customs duty ... | 24,546 | 27,081 | —2,535 |
| Excise duty .... | 14,996 | 13,556 | +1,440 |
| Excise taxes .... | 31,716 | 34,385 | —2,669 |
| Income tax ...... | 58,288 | 42,604 | +15,684 |
| Gold tax ........ | 1,383 | 2,109 | —726 |
| Post office ...... | 9,101 | 8,902 | +199 |
| Miscellaneous ... | 5,819 | 5,157 | +662 |
| Special ......... | 166 | 87 | +79 |
| Total ........... | 146,015 | 133,881 | +12,134 |
| Expenditures: | | | |
| Ordinary ....... | 120,349 | 120,958 | —609 |
| Special ......... | 15,941 | 11,133 | +4,808 |
| Capital acct. ... | 2,715 | 4,804 | —2,089 |
| Total ........... | 139,005 | 136,895 | +2,110 |
| Month of July | | | |
| Ordinary rev. ... | 28,310 | 28,871 | —561 |
| Special rcpts. ... | 136 | 24 | +112 |
| Total ........... | 28,446 | 28,895 | —449 |
| Ord. exp's. ..... | 33,549 | 32,008 | +1,541 |
| Spec. exp's. ..... | 5,121 | 4,298 | +823 |
| Cap. exp's. ..... | 2,189 | 3,408 | —1,219 |
| Total ........... | 40,859 | 39,714 | +1,145 |

## Loan Data Shows Deficit for 1934-35 Was $116,132,819

In connection with the offering this week of $76 millions of 10-year 2½ per cent bonds of the Dominion government at 97¾ in New York, the official deficit for the year ended March 31, 1935, is disclosed for the first time.

While the estimate of the March budget address was for a total deficit, including C.N.R., of $117.7 millions, the actual deficit was $116,132,819. This information and a lot more was filed with the U.S. Securities and Exchange Commission by the government. The deficit compilation agrees with the increase of the government's net debt. In 1933-34, the corresponding deficit figure was $133,497,313 and in 1932-33, was $220,634,655.

**Budget Experience**

Budget figures for the 1934-35 year agree closely with estimates. Increased revenue was raised chiefly from taxation.

The deficit decreased because expenditures rose less than did revenues. Substantial increases were recorded in ordinary and special expenditures. The latter are made up chiefly of outlays for relief of unemployment. The C.N.R. deficit, calculated after inclusion of the government's direct railway debt under ordinary expenditures, was down $10.5 millions from 1933-34.

Budget figures and net debt were as follows:

**Dominion Revenue and Expenditure Years Ended March 31**

| Revenue: | 1935 | 1934 |
|---|---|---|
| | $ | $ |
| Taxation ........ | 304,443,729 | 271,851,550 |
| Non-tax. rev. ... | 54,031,031 | 52,210,450 |
| Special recpts. .. | 3,397,320 | 409,270 |
| Total .......... | 361,872,080 | 324,471,270 |
| Expenditures: | | |
| Ordinary ....... | 354,368,220 | 346,648,546 |
| Special ......... | 66,461,462 | 42,778,444 |
| Capital .......... | 8,767,316 | 9,586,205 |
| C.N.R. deficit ... | 48,407,901 | 58,955,388 |
| Total ........... | 478,004,899 | 457,968,583 |
| Incr. of debt .... | 116,132,819 | 133,497,313 |
| Dominion Debt at March 31 | | |
| Net debt ........ | 2,863,475,454 | 2,729,978,141 |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## SOCIAL CREDIT SEEN AS LOSING ALBERTA VOTES

### Transferable Vote in Rural Constituencies Important

From Our Own Correspondent

CALGARY.—A tour of southern Alberta constituencies this week indicates that hte "social credit" party, headed by school principal William Aberhart of Calgary, is rapidly beginning to lose strength in the southern constituencies which a month ago were on fire with the promise of $25 a month "dividends" to all citizens. There is a growing feeling among the farmers that the weight of such payments will inevitably fall on agriculture.

The provincial election, most confused in years, culminates with balloting on Aug. 22. Holders of Alberta bonds have been nervous of the possibility that "social credit" might be tried out on the Alberta dog.

**Relative Strength**

While the "social crediters" have nominated a candidate for each of the 63 seats in the Alberta legislature, it by no means follows that their strength is evenly distributed. They have obviously drawn most heavily from the Labor and United Farmer of Alberta parties, the latter having dropped to a low figure of 6,000 membership against more than 30,000 at its peak several years ago. The U.F.A. which has controlled the Alberta government since 1921 is beginning to regain some strength as government members warn voters that the social credit scheme will unload care of the unemployed in the cities on to farmers' shoulders.

The defeat of Labor candidates in nearly all instances is indicated. But in a large number of constituencies, the Conservatives, always in the minority in Alberta, are virtually throwing in with U.F.A. candidates.

**Transferable Votes**

What apparently is going to defeat the social credit party frenzy is the Alberta system of the transferable vote in single member constituencies—all the country constituencies. By this system, voters indicate on their ballots first, second, third and so on: Choices for as many candidates as are running for the seat. If no candidate has a majority, the one with least votes is eliminated and the second choices on his ballots distributed among those with the higher number of votes, as indicated by the voters' choices.

The result is that the ultimate winner may turn out to be a candidate who had less first choice votes than one of his opponents who might have had more on the first count.

None of the other parties opposed to the social credit party will give social credit candidates their second choice votes. This means that unless a social credit candidate gets a straight majority over all in his constituency on the first count, a most unlikely possibility in the bulk of the ridings, he will likely be beaten by second votes thrown as the case may be to U.F.A., Conservative of Liberal candidates.

## Obituary

**E. O. Allison**, Los Angeles, vice-president of the Pacific States Savings and Loan Co., died suddenly in Oakland Calif., in his fifty-second year. Mr. Allison had been associated previously with banks at Winnipeg and Vancouver.

**J. R. Moffat**, former manager of the Bank of Nova Scotia, Bank and Gloucester Streets, Ottawa, died suddenly at his home, 540 Manor Road, Rockliffe, on Saturday, Aug. 3, in his sixty-fourth year.

**Charles Albert Smith**, president of C. A. Smith, Ltd., importers, died in Toronto recently in his 65th year. He was a native of Wooler, Ont., and for several years was in the importing business in Boston and Chicago.

**R. W. Brock**, chairman of the Vancouver Harbor Board, and dean of the science faculty of the University of British Columbia, was killed in an airplane crash 50 miles north of Vancouver.

**Samuel Henderson** died at his summer home near Lakefield, Ont., August 6, in his 80th year. Mr. Henderson was general manager and secretary-treasurer of Tower Canadian Ltd.

**Manfred Rapley**, head of the Manson Banking Office, a private bank, died in Strathroy on August 5. He was 82 years of age.

**Clarence F. Graham**, pioneer and resident of the West since 1879, died at Neepawa, Man., on Sunday Aug. 4. Among his activities in connection with the growth of the prairie provinces Mr. Graham served on many government commissions.

## U. S. ADVERTISING LOWER DURING JUNE

### Media Records Reports First Break in Increases Over 22 Months

From Our Own Correspondent

MONTREAL.—For the first time since September, 1933 newspaper advertising linage in 52 of the leading American cities failed to equal the total for the corresponding month a year ago.

According to data compiled by Media Records and published by Editor and Publisher, total advertising last June was 102.2 million lines, or 98.6 per cent of that reported for the same month in 1934. Compared with the previous month, there was a drop of approximately 13 million lines.

Display advertising last June totalled 82.1 million lines, or about 2.8 million lines less than in June, 1934. Classified linage, on the other hand, increased from 18.7 million lines in 1934 to 20 million lines in June this year.

Analysis of the advertising by the five principal divisions showed declines in retail, departmental store, general and automotive advertising, while financial advertising recorded an increase.


Manitoba—Balanced Budget

Due in large measure to substantial economies effected in the administration of the Province, Manitoba has achieved a balanced budget. For the fiscal year ended April 30th, 1935 the surplus amounted to $159,435, apart from relief expenditures which were capitalized but after sinking fund payments.

The new issue of Manitoba 3½% Debentures, due 1949 are priced at 96.24 to yield 3.85% and are available in denominations of $1,000, $500 and $100.

Your enquiry will receive prompt and careful attention.

Wood, Gundy & Company
Limited

Toronto, Montreal, Winnipeg, London, Eng.
36 King Street West, Toronto
Telephone: Elgin 4321
Ottawa, Hamilton, Vancouver, London, Ont.



BANK OF NOVA SCOTIA INC. 1832

1832 1935

The Gyroscope

EXPERIENCE is the gyroscope which steadies business, helps hold it on a true course. The experience which this Bank has gained throughout its century of existence is available to those seeking a banking connection.

*World-wide facilities in every department of banking*

*Coast to Coast in Canada*

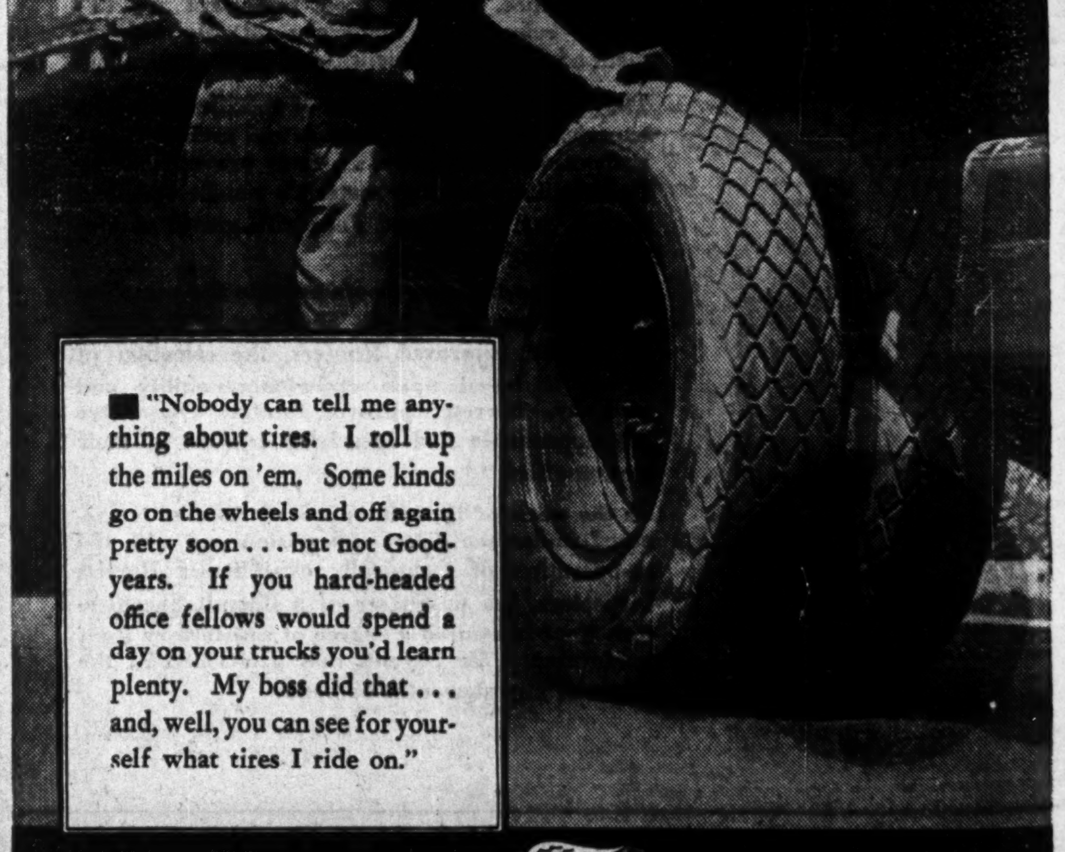
NEWFOUNDLAND, JAMAICA, CUBA, PUERTO RICO, DOMINICAN REPUBLIC

NEW YORK, CHICAGO, BOSTON, LONDON, ENGLAND

The BANK of NOVA SCOTIA

OVER A CENTURY OF BANKING SERVICE






GOODYEAR
TIRES · BELTING · HOSE · PACKING · MATS

# LOAN SUCCESS TENDS TO FIRM BOND MARKETS

## Alberta, Westerns and Newsprint Bonds Rise on Good News

Quick success of the Dominion's loan of $76 millions in New York had a temporarily firming effect on gilt-edged bond prices in Canada in the week ended Aug. 13. The 2½ per cent, 10-year bonds went to a fractional premium above the offering price of 97¾ immediately following the sale.

Diversion of investment funds into western provincial issues raised them as much as two points. Most gains were fractional. Crop reports, better than expected, contributed to the rise. Alberta bonds had the largest gains on news that the "social credit" campaign might be less successful in the provincial election than has been feared for some months. Prospectus for the Dominion's U.S. loan showed federal loans to the four western provinces at June 30 as follows:

**Dominion Loans to Provinces At June 30, 1935**

| | |
|---|---|
| Manitoba | $11,657,979 |
| Saskatchewan | 39,579,900 |
| Alberta | 17,553,750 |
| British Columbia | 17,364,235 |
| Total | $86,155,864 |

### Paper Bonds Up

Among corporation bonds, defaulted newsprint liens enjoyed pronounced strength. This was apparently based on news that Hearst efforts to contract 1936 tonnage at present low prices had failed at least temporarily. Abitibi 5's, for instance, jumped five points to a bid of 33¼ and Price Bros. 6's gained six points to 90 bid. Other corporation bonds were firm but inactive.

New financing included another issue of $20 millions of Dominion treasury bills to complete refinancing of the $50,000,000 of notes which matured Aug. 1. Nova Scotia returned for bids on bonds to refund a sterling issue on which bids offering money as cheaply as 3.31 per cent were declined in May.

### Little Real Borrowing

It is noteworthy that most compilations of new financing in Canada are misleading in emphasizing the increased total over past years. Only new borrowings are those of governments. Most present borrowing is simply refunding at reduced rates.

Trend of the gilt-edged bond market is shown by The Financial Post's index as follows:

**Average Yield and Price for Seven High Grade Canadian Bonds**

| 1935 | Yield % | Price $ | 1934 | Yield % | Price $ |
|---|---|---|---|---|---|
| Aug. 13 | 3.463 | 113.32 | Aug. 13 | 3.785 | 110.66 |
| Aug. 12 | 3.454 | 113.41 | Aug. 11 | 3.785 | 110.65 |
| Aug. 10 | 3.450 | 113.46 | Aug. 10 | 3.785 | 110.66 |
| Aug. 9 | 3.459 | 113.36 | Aug. 9 | 3.788 | 110.66 |
| Aug. 8 | 3.474 | 113.14 | Aug. 8 | 3.790 | 110.62 |
| Aug. 7 | 3.486 | 113.09 | Aug. 7 | 3.791 | 110.62 |
| Aug. 6 | 3.484 | 113.11 | Aug. 6 | 3.789 | 110.66 |
| July 31 | 3.491 | 113.06 | July 31 | 3.811 | 110.39 |
| Year's | 3.367 | 114.97 | Year's | 3.373 | 115.00 |
| Range | 3.608 | 112.10 | Range | 4.517 | 102.54 |

## Bond Sales

### Brantford

City of Brantford has sold $155,000 of 3½ per cent 10-year serial debentures to the Bank of Montreal at 98.58, a cost basis to the city of 3.81 per cent. Bids were as follows:

| | Bid |
|---|---|
| Bank of Montreal | 98.58 |
| Dominion Securities Corp. | 98.56 |
| A. E. Ames & Co. | 98.11 |
| Griffis, Fairclough & Norsworthy | 97.35 |

### Three Rivers

City of Three Rivers, Que., has sold $139,300 of 40-year serial four per cent debentures to L. G. Beaubien & Co. at 96.28, the only bid for this issue, a cost basis to the city of about 4.28 per cent. The same firm made the only bid, of 99.03 for 40-year 4½'s. Alternative bids were also asked for 15-year issues and were received as follows:

**Bids for 15-yr. Bonds**

| | 4% | 4½% |
|---|---|---|
| L. G. Beaubien & Co. | 97.52 | 100.01 |
| Wood, Gundy & Co.; A. E. Ames & Co.; Dom. Securities Corp. | 92.79 | 100.17 |
| Banque Can. Nationale | 98.08 | 98.75 |
| Hanson Bros. | 96.57 | 99.79 |
| E. Savard & R. T. Leclerc | 98.29 | .... |
| Société Fonciere Inc. | .... | 99.875 |
| Cr. Anglo Francais; Nesbitt, Thomson & Co.; J. C. Boulet | 97.472 | .... |

## Bond Redemptions

| Bond Issues: | Rate | Date | Date | Price |
|---|---|---|---|---|
| Belding-Cort. | 5% | 1936 | Nov. 1 | 105 |
| Can. Cons. Felt | ‡6% | 1940 | Oct. 1 | 105 |
| Mtl. L. H. Ref. B | 5% | 1970 | Sept. 1 | 105 |
| Dom. Canners | *6% | 1940 | Oct. 1 | 110 |
| Prov. L. H. & P. | •5% | 1946 | Sept. | 105 |
| Amer. Salesbook | 6% | 1939 | Oct. 1 | 102½ |

For sinking fund: ‡$65,000. *$62,600. •$52,500.

## Dividends Declared

| | This payment | Date payable | Date of record |
|---|---|---|---|
| Agnew Surpass, c. | 20c | Sept. 2 | Aug. 15 |
| Do., bonus | 20c | Sept. 2 | Aug. 15 |
| Do., pref. | $1.75 | Oct. 1 | Sept. 15 |
| Anglo Can. Tel. c. A | 87½c | Sept. 3 | Aug. 15 |
| Do., com. B | 10c | Sept. 4 | Aug. 15 |
| Borden, c. | 40c. | Sept. 3 | Aug. 15 |
| Bruck Silk | 30c | Oct. 15 | Sept. 14 |
| Bk. of Montreal | $2 | Sept. 3 | July 31 |
| Bk. Can. Nat. | $2 | Sept. 1 | Aug. 15 |
| Beld. Cort. pfd | $1.75 | Sept. 14 | Aug. 31 |
| Bank of Toronto | $2.50 | Sept. 3 | Aug. 15 |
| BirdArcher | $2 | Sept. 1 | Aug. 8 |
| Do. pref. | $4 | Sept. 1 | Aug. 8 |
| Can. Bk. of Com. | $2 | Sept. 1 | July 31 |
| Can. Indust. A & B | $1 | Oct. 31 | Sept. 30 |
| Do., pref. | $1.75 | Oct. 15 | Sept. 30 |
| Corrugated Pap. pf. | $1.75 | Sept. 1 | Aug. 16 |
| Can. Hy.-El., 1st pf. | $1.50 | Sep. 2 | Aug. 1 |
| Hudson Bay Mine | †50c | Aug. 31 | Aug. 9 |
| Int. Nickel, c. | 20c | Sept. 30 | Aug. 31 |
| Loblaw A & B | 25c | Sept. 3 | Aug. 14 |
| Laura Secord | 75c | Aug. 31 | Aug. 15 |
| McColl-Fron., c. | 20c | Sept. 14 | Aug. 15 |
| McIntyre Porc. | 50c | Sept. 2 | Aug. 1 |
| McLennan, McFeeley & Prior, A | 10c | Sept. 30 | Sept. 23 |
| Do., B | 10c | Sept. 30 | Sept. 23 |
| Nat. Biscuit pf. | $1.75 | Aug. 31 | Aug. 15 |
| Nat. Biscuit, c. | 40c | Oct. 15 | Sept. 13 |
| Nova S. L. & P., pf. | $1.50 | Sept. 3 | Aug. 15 |
| Ogilvie, pref. | $1.75 | Sept. 3 | Aug. 20 |
| Photo Eng. | 50c | Sept. 3 | Aug. 15 |
| Pressed Metals | 12½c | Oct. 1 | Sept. 16 |
| Reliance Grain, p. | $1.62½ | Sept. 14 | Aug. 31 |
| Reno Gold | 3c | Oct. 1 | Aug. 31 |
| Rolland Paper, p. | $1.50 | Sept. 2 | Aug. 15 |
| Royal Bank | $2 | Sept. 3 | July 31 |
| Sylvanite G. | 5c | Sept. 20 | Aug. 24 |
| Toburn Gold | 2c | Aug. 21 | July 29 |

†Initial.

# Investment Notes

### Brazilian Seesaw

A WEEK ago investors were wondering why Brazilian shares were sinking to a new low. They wondered if bad news had come from Brazil about new rate agreements or further exchange difficulties. But it turned out to be sale of shares by an estate which needed some money.

This week investors are wondering if some good news about new rate agreements or further exchange difficulties has been received from Brazil. There was no news received a week ago from Brazil to explain why the stock fell and this week there is no news which explains why it rose. They have been purely market movements in both cases.

In Great Britain opinion remains pessimistic about Brazilian and the best of all the foreign companies in Brazil because, in the view of London observers, "it is the anti-foreign attitude of the Vargas government coupled with the heavy depreciation in the exchange value of the milreis, which is alarming all interested in Brazil."

* * *

### Burns Income

WHILE Burns & Co. is doing better this year, it is still somewhat early to predict that a payment will be made on the income bonds next April. Working capital has passed beyond the $2.5 millions requisite before income bond interest is payable. But the company's experience for the remainder of this year depends largely on price levels. If the price of hogs and bacon remains firm, then a payment on the income bonds will become probable.

* * *

### Canada Bread Dividend

PROVIDED the scheme of compromise with shareholders passes on Aug. 27, an early dividend payment on the first preferred shares of Canada Bread Co. is probable. While the recent earnings statement would not indicate ability to pay dividends, it included extraordinary expenses in connection with reorganization of operations. Also, writing down of assets, as provided by the reorganization, would allow lower depreciation deductions. Hence dividends could be shown as earned more easily under the new set-up. It is expected to be approved.

* * *

### Distillers Dividend

RUMORS persist in the board rooms that a dividend is to be paid soon on Distillers-Seagrams common. A rate of $2 annually is the latest suggestion. The company has given no indication that it is imminent, however, and is apparently using its funds to expand U.S. stocks of spirits.

* * *

### Confident in Stocks

OPTIMISM predominates in a circular issued by Draper Dobie & Co., Toronto Stock Exchange firm. Confidence in stocks, it says, is warranted. "A number of better class stocks," it remarks, "should be bought during the present quiet market and held for major advances."

* * *

### International Hydro

ALL of the common shares of International Hydro Electric System are jointly owned by International Paper Co. and International Paper & Power Co. According to data filed with the S.E.C., International Paper is a beneficiary owner of 12 million shares and International Paper & Power, 28 million shares.

In addition, International Paper & Power is a beneficiary owner of 39,799 shares of a total issue of 858,100 shares of International Hydro class "A" stock. All of the outstanding class "B" shares amounting to one million shares are owned by International Paper Co.

In addition to stock holdings, International Paper Co. owns $84,000 of the six per cent convertible debentures, while International Paper & Power holds 3,070 shares of the $3.50 series of convertible preferred stock.

* * *

### Trust Sells Walkers

ALL its 4,000 shares of common stock of Hiram Walker-G. & W. were sold by Sterling Securities Corp., U. S. investment trust, in the half-year ended June 30. The trust sold more shares of all kinds than it purchased. The liquidation of the Walker shares, however, was one of the largest in its list.

* * *

### Brewers and Distillers

COMMON stock of Brewers and Distillers of Vancouver, Ltd., has risen from 55 cents to $1 a share following announcement in Seattle courts that the United States Government had agreed to a settlement with the company of all outstanding litigation at approximately $500,000. This is in addition to $200,000 in forfeited bail by directors, of one of the organization's subsidiary companies.

Claims of the United States Government against Brewers and Distillers (Reifel) and subsidiaries totalled at one time $17,500,000. These were based on charges of conspiracy to ship liquor into the United States during the period of prohibition.

The settlement is regarded as of great importance to the company inasmuch as it is now free to resume its shipping business to the United States without restriction. Orders dismissing the various suits against the company in different United States courts have been issued.

* * *

### Canadian Inter. Paper

CANADIAN International Paper Co. reports that its Kipawa and Hawkesbury pulp mills operated substantially at capacity throughout 1934, their output amounting to 146,027 tons of bleached sulphite compared with 141,111 tons in the previous year. Average prices realized were higher than in 1933.

The newsprint mills of the company and its subsidiaries operated at 82 per cent of capacity during the year, producing 659,566 tons as against 544,373 tons in 1933. In spite of this improvement in volume, operating results of the newsprint mills were less satisfactory than in 1933, as prices continued the entire year at the low level to which they declined in April, 1933.

In connection with newsprint prices A. R. Graustein, president, points out that the price now being charged for newsprint by North American mills is not sufficient to cover much more than cash-out-of-pocket costs for labor, materials and transportation to market, and in many cases not even that.

## Significant Investors' Index Numbers

1926 = 100

| No. of Securities | Iron and steel 17 | Pulp and paper 6 | Milling 4 | Oils 4 | Textiles and clothing 10 | Food and allied products 18 | Beverages 8 | Total industrials 87 | Total utilities 20 | Total co's. 112 |
|---|---|---|---|---|---|---|---|---|---|---|
| 1929-34:* | | | | | | | | | | |
| High | 383.8 | 118.2 | 267.4 | 416.8 | 110.1 | 193.8 | 241.9 | 311.0 | 163.6 | 235.4 |
| Low | 36.8 | 1.4 | 34.9 | 78.3 | 24.0 | 68.5 | 27.3 | 44.0 | 30.5 | 38.6 |
| Monthly Figures, 1935: | | | | | | | | | | |
| January | 129.4 | 14.0 | 71.5 | 181.5 | 75.8 | 134.2 | 106.8 | 129.7 | 50.4 | 90.5 |
| February | 126.4 | 13.4 | 67.4 | 197.7 | 75.6 | 131.3 | 109.1 | 128.8 | 49.4 | 89.6 |
| March | 117.0 | 11.6 | 56.0 | 176.0 | 74.1 | 126.5 | 101.6 | 125.6 | 45.1 | 86.1 |
| April | 119.4 | 11.1 | 56.9 | 178.6 | 73.1 | 125.1 | 99.6 | 130.8 | 43.8 | 88.5 |
| May | 121.9 | 10.8 | 59.9 | 211.7 | 70.3 | 127.8 | 102.4 | 144.4 | 44.4 | 96.8 |
| June | 118.6 | 10.5 | 58.4 | 217.9 | 67.2 | 127.0 | 104.7 | 145.2 | 45.0 | 97.1 |
| July | 122.2 | 10.6 | 57.4 | 210.6 | 68.7 | 128.5 | 116.7 | 143.8 | 44.7 | 95.5 |
| Weekly Figures, 1935: | | | | | | | | | | |
| Aug. 1 | 123.0 | 10.9 | 58.3 | 206.2 | 67.4 | 128.6 | 117.1 | 143.7 | 45.3 | 95.4 |
| Aug. 8 | 123.0 | 11.4 | 58.4 | 206.3 | 67.0 | 129.8 | 119.4 | 144.0 | 45.7 | 95.9 |

*High and low of years from 1929 to 1934 inclusive are based on weekly figures. Compiled from figures issued by Dominion Bureau of Statistics.

**Toronto Stock Exchange Index**

| | 20 Indus. | 20 Golds | 20 Misc. Mines |
|---|---|---|---|
| Aug. 13 | 111.85 | 101.40 | 92.39 |
| Aug. 12 | 110.59 | 101.43 | 92.15 |
| Aug. 10 | 110.15 | 102.17 | 92.89 |
| Aug. 9 | 110.12 | 102.56 | 93.16 |
| Aug. 8 | 109.62 | 102.76 | 93.06 |
| Aug. 7 | 109.87 | 102.56 | 92.71 |
| Month ago | 107.86 | 102.80 | 90.65 |
| Year ago | 98.67 | 126.96 | 94.77 |
| High, 1935 | 113.99 | 123.68 | 103.99 |
| Low, 1935 | 97.90 | 101.16 | 80.83 |

**Montreal Averages**

| | 10 Util. | 20 Indus. | 30 Comb'd |
|---|---|---|---|
| Aug. 13 | 64.2 | 60.9 | 62.0 |
| Aug. 12 | 63.6 | 60.1 | 61.3 |
| Aug. 10 | 63.0 | 59.3 | 60.5 |
| Aug. 9 | 61.6 | 59.1 | 59.9 |
| Aug. 8 | 61.7 | 58.7 | 59.7 |
| Aug. 7 | 61.4 | 58.6 | 59.5 |
| Month ago | 58.4 | 58.0 | 58.0 |
| Year ago | 64.1 | 55.8 | 58.6 |
| High, 1935 | 63.7 | 63.1 | 63.0 |
| Low, 1935 | 56.1 | 56.0 | 56.7 |

# NEON WESTERN 1935 EARNINGS SHOW INCREASE

## Dividends on Preferred and Common Are Well Covered

Neon Products of Western Canada earned $53,698 in the year ended April 30, 1935, the first earnings report since the year ended April 30, 1931, when $86,819 was shown. In the interval net earnings have been low but have been recovering for more than a year. The company was able in each year to maintain preferred dividends and to p in December an ordinary dividend of 25 cents a share. Such payments were made throughout the depression, but the earnings report just made public give them added importance as showing that the dividends were earned in the last fiscal year.

Earnings so far in 1935 have been 50 per cent ahead of the same period in 1934. Costs are lower and the current year is therefore giving a good account of itself.

Working capital position was greatly strengthened during the year. The company has now $70,797 against $12,132 a year earlier. The great improvement has been in cash holdings which advanced during the year from $7,162 to $12,644 at the company's call and to $65,000 deposited with a trust company.

The rental situation was better in that rents in arrears dropped from $17,476 to $14,967 during the year and other accounts receivable from $24,681 to $15,120. Accounts payable at the end of the preceding year totalled $37,187 and now are $9,856. The company made income tax provision of $19,478, which was not called for in the preceding year, and $3,065 for dividends payable.

### Redeeming Preferred

The company continued its redemption of preferred shares which dropped from a total of $300,000 at the end of 1932 and $215,250 at the end of 1934 to $204,350 6 per cent cumulative preference stock on April 30, 1935. The sinking fund requirements for the redemption of preferred shares in the year were $7,112. The cost of shares purchased was actually $8,969. The company has been able in 1933 and 1934 to get a discount from par value of preferred shares bought of $20,942. Thus an amount of $29,912 was transferred from earned surplus to capital surplus, which rose in consequence from $65,738 to $95,650 in the year. In spite of this programme the company's earned surplus rose during the year from $10,365 to $18,460.

Changes in fixed assets during the year were as follows: leasehold improvements, plant, equipment and sites at cost from $62,916 to $57,643, after depreciation of $48,742; Neon signs out on rental at cost from $275,132 to $253,914 after amortization of $241,283; and work in progress dropped from $38,285 to $31,272.

For earnings report see page 12.

# WINDSOR GROUPS OF BONDHOLDERS TO ACT IN UNION

## Co-operate With City's Agent in Collecting Information

Discussions between bondholders' protective committees and Guaranty Trust Co. of Windsor, the city's fiscal agent, have already taken place in connection with financial arrangements for the merger of border cities municipalities. Arrangements are being made to co-operate in collection of information on finances of the four municipalities which make up the amalgamated Windsor.

Protective committees for holders of bonds of the four municipalities are joining forces. The aim is to attain unity of views so as to avoid possible conflict of interests when presenting the case of creditors of the municipalities, all of which are in default. The committees represent holders of bonds of Windsor, Ford City (East Windsor), Sandwich, Walkerville and of the Essex Border Utilities Commission. While each committee will carry on as a separate entity, the joint object is to protect all debenture holders in negotiations which may take place in the near future with the Guaranty Trust Co. of Windsor, who are acting as fiscal agents for the municipalities, as well as for the Utilities Commission.

### Refinancing Plan

It is expected that a plan of refinancing the debts of the four municipalities and the utilities commission will be presented to bondholders in the near future. Bondholders who have not yet deposited their securities with the committees have been urged to do so in order to be represented adequately in any negotiations with the Windsor finance commission and the city's fiscal agent. Large amounts of bonds have already been deposited.

Some confusion apparently exists about the functions of the Guaranty Trust Co. of Windsor, the city's fiscal agent, and the bondholders' protective committees. The Guaranty Trust Co. represents the interests of the debtor municipalities of Windsor. The protective committees represent all bondholders, who are creditors of the municipalities.

While both will collect, exchange and compare financial data for accuracy, their interpretations of the information may differ materially. The Windsor finance commission will endeavor to arrange details to the satisfaction of both the city and of bondholder groups. Ontario government authorities must put the final seal of approval on financial arrangements of the merger. In discussing details with the city's fiscal agent, the finance commission and with government authorities, the protective committees are the only groups which represent solely the bondholders' interests.

# Canada Cement Profits Holding Up

From Our Own Correspondent

MONTREAL.—Operations of Canada Cement Co. for the first eight months of its fiscal year are reported to have varied only slightly from that experienced a year ago.

Results for the full year are expected to approximate that reported for the twelve months ended Nov. 30, 1934, when interest was covered more than twice before depreciation and earnings permitted the writing off of $1 million for depreciation account. It is understood that the company will continue to follow its policy of the past few years of writing off all earnings, after interest charges, against depreciation reserve.

Following of this policy means a continued deferment of dividends on the preferred stock. Payments were discontinued at June 30, 1932, and accumulated arrears to the end of the current fiscal year, November 30, amount to over $29 a share.

## Bond Tenders

7 p.m., Aug. 19, Preston—$27,600, 4½ per cent 20-installment debentures, dated May 1, 1935, for school purposes. E. G. Heise, clerk and treas.

5 p.m., Aug. 26, Sherbrooke—$85,000, 3½ or 4 per cent maturing in series from June 1, 1936, to June 1, 1955; $320,000 maturing from June 1, 1938 to June 1, 1946. L. Prefontaine, asst. clerk.

Aug. 25, County of Lake St. John East, P.Q.—$35,000, 5 per cent, dated July 1, 1935, redeemable serially from Jan. 1, 1936 to Jan. 1, 1956. E. O. Hudon, sec.-treas.

3 p.m., Aug. 15, Nova Scotia—$3,762,000, 3 per cent, 15-year.

## Metal Prices

New York—Aug. 13—
Copper: Electrolytic spot and future, 8.00.
Silver: 67⅞c.

London—Aug. 13—
(Long Ton)—
Copper: Electrolytic spot, £35 5s; future, £35 15s. Standard spot, £32; future, £32 7s 6d.
Tin: Spot, £219; future, £209 2s 6d.
Lead: Spot, £15 12s 6d; future, £15 12s 6d.
Zinc: Spot, £14 17s 6d; future, £14 12s 6d.
Gold: 140s 3½d.
Silver 29¹⁄₁₆d. per ounce.

Canada—Aug. 13—
Gold: $34.96.

# Bathurst's Profits Record Increase

From Our Own Correspondent

MONTREAL.—Consolidated estimated net operating profit of Bathurst Power and Paper Co. for the first six months of 1935 was $110,638, according to an official statement issued by the board. This figure was arrived at before providing for depreciation and subject to audit and year end adjustments. The extent of the improvement in the company's operating results is apparent from the comparison with the full year 1934. In that period the company had a net profit, before depreciation, of $93,030, and after provision for depreciation at $100,000, there was a net loss of $6,969.

At present, operations at the Bathurst plant are being largely concentrated on kraft liner board. One of the two machines owned by the company is engaged in this work, while the other, devoted to newsprint, has been operated intermittently in the last year or two.

# Baby Bond Sale Cash, $313,344 For Vancouver

From Our Own Correspondent

VANCOUVER.—The city council has learned the somewhat disappointing truth concerning Mayor Gerry McGeer's much publicized "baby bond" campaign which was to finance the city's public works programme, including the building of a new city hall.

The council was informed that the bond issue of $1,500,000 had so far produced only $313,344 in cash, although total applications account for $1,300,000.

Two large subscriptions from oil corporations have been promised, according to city comptroller W. Wardhaugh.

One of the features of the baby bond campaign was the cost of staging it. The actual campaign cost, according to reports to the city council's finance committee, was $7,838, of which $6,202 was for publicity and advertising.

# Provincial Light Calls Small Block of Bonds

From Our Own Correspondent

MONTREAL. — Provincial Light, Heat and Power Co., controlled by Montreal Light, Heat and Power Co., has called for redemption on September 1 next $52,000 of its 5 per cent first mortgage bonds.

At the end of last year Provincial Light had outstanding $820,000 of bonds, so that when the current redemption becomes due, the debt of the company will be reduced to $758,000.

# STATE POSITION OF DAIRY CORP. IS SATISFACTORY

## Sales Higher and Expenses Down, Shareholders Informed

Current position of the operating companies continues satisfactory, states an official report of Dairy Corporation of Canada for the quarter ending June 30, 1935.

Total expenses of the seven operating units are reported as showing a decrease of $1,599 in June. For the three months ending June 30, a decrease in expenses of $10,075 is reported and a decrease of $22,528 for the nine months ending June 30.

### Sales Higher

Sales for June are reported increased by $19,073 for the quarter, an increase of $23,435 is reported in sales and for the nine months an increase of almost $90,000. A decrease in ice cream sales is reported for the month, the quarter and the nine months period but since the first of July the weather has been favorable and it is expected that the end of July reports will show that these decreases have been made up.

The company reports that Prairie Creameries Ltd. at Regina has been merged with Stewart Dairy Ltd. of the same city and that the charter of Prairie Creameries has been surrendered. A new and modern ice cream department has been installed at the purity plant and it is expected that this move will result in improved operations for the company.

# OTTAWA EPISCOPAL BONDS SOLD READILY

## French Canadian Syndicate Sells $1 Million of Bonds at Par

From Our Own Correspondent

MONTREAL.—L. G. Beaubien & Co. Ltd. and Crédit Anglo Francais Ltée. head a syndicate which offered $1 million of 4 per cent first (closed) mortgage bonds of the Roman Catholic Episcopal Corp. of Ottawa The issue was quickly oversubscribed.

These bonds are a direct obligation of the corporation, whose assets exceed $8 millions, as against liabilities, including the present issue, of less than $2 millions. The issue is also specifically secured by a first (closed) mortgage on properties, situated mostly in Ottawa, estimated at a value of over $2 millions. Proceeds of this issue, which is non-callable and payable in Canadian funds as to principal and interest, will be applied to the redemption of the balance of several bond issues and mortgages bearing interest rates varying from 5 to 6 per cent.

The issue was sold at 100 and accrued interest for the 1941-1955 maturity. The 1936-40 maturities were privately sold before the public offering. Members of the syndicate, in addition to those already mentioned, include Comptoir Nationale du Placements Ltée., Ernest Savard Ltée., Dubé, Leblond and Co. Inc., Garneau and Boulanger Ltée., J. C. Boulet Ltée., and Henri Turgeon Ltée.

CHAMPION MORTGAGE
CORPORATION - LIMITED
EDMONTON VANCOUVER
CALGARY VICTORIA

# New Goodyear Common Listed on Toronto Exch.

Common shares of Goodyear Tire and Rubber Co. of Canada were transferred on August 8 from the curb to the listed section of the Toronto Stock Exchange.

The listing covers 257,260 of the new common shares, out of an authorized 290,660. Recently the old $100 par value 7 per cent cumulative preferred shares were redeemed and a new issuance of $6 millions of $50 par value was made, the new preferred already being on the listed section At the same time the common shares were split two new for one old.

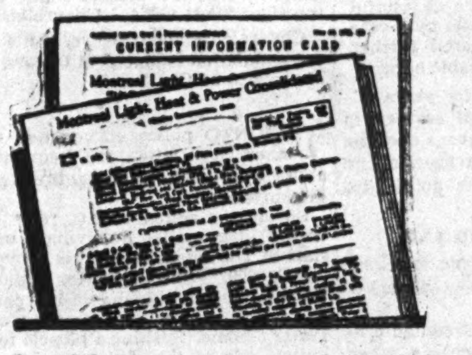
# Sherbrooke Realty Cuts Down Capital

From Our Own Correspondent

MONTREAL.—Sherbrooke Street Realty Corp., owning and operating the Medical Arts Building in Montreal, has taken out supplementary letters patent reducing its common stock capitalization from an authorized and issued 60,000 shares of $100 par value to 6,000 shares of $60,000 par value. There is no change in either the authorized or outstanding preferred stock.

The Dearness of Cheapness

—a message to financial and investment executives



One of these cards gives a complete analysis of Montreal Light, Heat & Power Consol. The other (current information card) keeps the analysis up-to-date with news items. Only two cards are required to give this always complete coverage of each company.

CHEAPNESS is not the basis of saving—it leads, inevitably, to waste and inefficiencies which result in costly errors. Far more important than Cheapness is Value. While the original cost of sound values may seem more, the ultimate cost is less as dependability, quality and service are secured.

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# Weekly Record of Financing in Canada

**SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS**

| Municipal— | Date Sold | Sold to | Rate | Due | Amount | Price | Yield |
|---|---|---|---|---|---|---|---|
| Forest Hill, Village of | July | Dominion Securities Corp. | 4% | 20-ins. | $100,000 | 103.77 | 3.55% |
| Brantford | Aug. | Bank of Montreal | 3½% | 10-ser. | 155,000 | 98.58 | 3.81% |
| Three Rivers | Aug. 12 | L. G. Beaubien & Co. | 4% | 40-yr. | 139,300 | 96.28 | 4.28% |
| R. C. Episcopal Corp. of Ottawa | Aug. 7 | L. G. Beaubien & Co. and syndicate | 4% | 1936-55 | 1,000,000 | *100 | 4% |
| Digby, N.S. | Aug. | J. C. Mackintosh & Co. | 4% | 20-yr. | 30,000 | 101.41 | 3.90% |
| Provincial— | | | | | | | |
| New Brunswick | July | Mead & Co. | 3% | 5-yrs. | 1,358,000 | 102 | 2.55% |
| Dominion— | | | | | | | |
| Canada | Aug. 12 | First Boston Corp. and syndicate | 2½% | 1945 | 76,000,000 | *97.75 | ..... |

*Offering price.

# The Financial Post

**Member Audit Bureau of Circulations**

Editor—FLOYD S. CHALMERS

Business Manager—D. M. GOWDY

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TORONTO, AUGUST 17, 1935


## PAYING MILLIONS FOR JUNK

RECENTLY we pointed out that six private railways taken over by the Canadian National Railways in 1929 and in which $18 millions of public money was invested, have never earned so much as a single dollar of operating profits in any one year since.

The Ottawa Journal makes this curious comment on our editorial:

> "But would these lines pay under private ownership? The answer is that when they were under private ownership they did not pay. That indeed is why they were sold."

Whether or not these railways paid under private ownership we do not know. They could not have been very profitable and may well have been losing money. But if this was the case why was it necessary for the people of Canada to pay $18 millions to buy them? Railways that are losing money consistently year in and year out are of little actual value.

That owners of losing enterprises are always glad of an opportunity to unload them on the public treasury is no new discovery. A large portion of our public debt has been piled up in just that manner. But such raids on the treasury are a comment neither on public ownership nor on private ownership but rather upon politics at its worst.

The British Columbia government took over the Pacific Great Eastern Railway when it got into financial difficulty. The Dominion government took over the Grand Trunk and the Canadian Northern lines. The Ontario government took over the Abitibi Canyon Power development. Cities everywhere have paid big prices for bankrupt street car lines. Usually the price that has been paid has been exorbitant. Sometimes the government concerned could not avoid it because it had previously involved itself in the guarantee of bond issues. Often there have been illicit connections between promoters and politicians that would have been bared in the event of failure. Time after time in Canada great private enterprises have been promoted through the co-operation of promoters and politicians and always in the secure knowledge that, after the promotion and financing profits had been taken out, if the enterprise were a failure it could still be dumped on to some government at a further profit.

Papers like the Ottawa Journal that promote the idea of public ownership of such utilities are usually too eager and impatient to get them under public control. The result is that the governments pay through the nose for junk.

If a government figures that it has to take over some collapsed development, it ought at least to pay no more than a sheriff's sale price and not invest millions in scrap hoping that the magic touch of political control will make profits to flower where they had not been produced before. There is no such magic touch in operation by the politicians.

## PENNY WISE

A DECLINE in early 1935 tourist traffic in British Columbia is partially blamed on the "deplorable state" of the interior roads of that province. Ineffective appropriations have been widely scattered in the past, it is claimed, with a political rather than a highway end in view. Unless prompt measures are taken, the same danger faces Ontario, whose stake in the Canadian tourist business runs into many millions of dollars.

Plenty of money has been spent recently in opening up vacation territory, particularly in the central and northern areas. Many gravel highways have been built as relief measures. Tourists are here now to use them. Ontario's own citizens, who contribute in provincial gas tax at least 24 cents out of every dollar spent on gasoline, are also ready and anxious to use them.

But in the last few months many of these new gravel roads have been allowed to lapse into abominable condition. Whereas last autumn they were safe and comfortable at speeds considerably in excess of the legal 35 miles per hour, this summer they punish car and passengers at anything above ten. In not a few cases inexpensive, and from a safety standpoint alone, vitally necessary dust treatment was delayed until after the first flow of summer traffic in early July. As yet routine grading operations are far behind schedule though the short tourist season is half over.

The Post is not advocating any lavish expenditure of government money at this or any other time. But the roads are already built and a growing number of money-spending tourists are ready to use them. For the sake of a relatively few dollars in keeping these recently completed provincial highways in safe and comfortable condition, Ontario is risking a large part of its original investment.

## THE CANNY SCOT

PROVERBIALLY there is no news value when a dog bites a man. It is only when the leg is in the other mouth, so to speak, that headline writers get busy.

If that be true, then there is excellent "copy" in the current report of the Canadian Trade Commissioner at Glasgow who writes in the current issue of the Commercial Intelligence Journal concerning Canadian wheat and flour imports into Scotland.

For after all the gloomy news about Canada's wheat sales (or lack of them) that have been heard in recent years, it is something of a relief to read such sentences as these:

> "Canada's shipments this year (of flour) were greater than those in any year recorded above, even including 1929."
>
> "Scotland has taken more Canadian wheat than in the corresponding period of the two previous years."

Through thick and thin the Scottish miller has been a staunch ally of Canadian wheat growers, and while this is due in a measure to local conditions which make our product particularly attractive to the Scotsmen, the importance of this connection cannot be overestimated.

It would be very satisfactory if this editorial could end here, but well-authenticated reports indicate that since the important disclosures pursuant to the creation of a wheat board were made at Ottawa, large bakers in Scotland have materially reduced their purchases of Canadian flour. Apparently the canny Scots are biding their time in the belief that with a new crop of sizable proportions about to be harvested, and with a known surplus of some 200 million bushels overhanging the market, Canadian prices must go to a lower level.

The need for retaining our place of leadership in this excellent market is merely an added indication of the importance of appointing a new grain board with the will and the authority to begin at once an aggressive sales policy for our premier product.

## UNDER A BUSHEL

HERE'S something new under the political sun.

The Calgary Herald has called the Stevens Reconstruction Party to task because it refuses to divulge the names of the 22 persons selected to control the new party's campaign in southern Alberta. The only reason for the secrecy, according to provincial organizer for the party, A. C. MacKay, is said to be that the said personnel "is not a matter of public interest."

Protests the Herald:

> "The people have every right to know the identity, and therefore the calibre, of his lieutenants in this city and province. A political cause can be judged fairly accurately by the type of men who rally to its support. So far all that is known about the Stevens movement here is that at a secret meeting A. C. Mackay, C. T. Galbraith and J. T. North were appointed president and vice-presidents of the new political organization.
>
> "The decision announced by the provincial organizer to maintain secrecy is bound to create suspicion. The old line parties, condemned so freely by Mr. Stevens, are not ashamed or afraid to make public their leading supporters, nor are the latter unwilling to be classified as such. They are proud of their cause and willing to fight for it in the open. Alberta has already had the distasteful innovation of selection of candidates by a central hierarchy. It should be spared further political precedents of an objectionable nature."

Canadian political parties have for years followed the very dubious policy of secrecy in respect of campaign funds. Mr. Stevens does his cause no good by stupid tactics in respect of the men who are carrying his banner politically.

## MORE ABOUT NEWFOUNDLAND

NEWFOUNDLAND is getting some excellent publicity in leading Canadian newspapers of late.

The time was when the mass of Canadian citizens heard only of this famous colony when strikes, fire or other misfortune visited the island. A notable exception, of course, was the publicity attendant on transatlantic flights.

But in recent months interesting constructive news stories telling of the progress being made in the island, under the Commission-of-Government, have appeared in increasing numbers.

Canada and Newfoundland have been bound by many ties for countless years. But there is room for much closer relationship in trade and commerce between the two countries. These will be fostered as each grows to know more of the other's problems and accomplishments. This is particularly true now that the close association of Newfoundland with Great Britain has created a new link between the colony and the Motherland.

For upward of fifteen years The Financial Post has taken an active interest in Newfoundland affairs and naturally welcomes the increasing interest being taken by Canada in the ancient colony.

## WHO RUINED THORNTON?

A NEW biography of Sir Henry Thornton starts off by quoting the epitaph on the Duke of Buckingham:

> "Now hath the butcher's dog pulled down the lordliest buck in England."

The whole purpose of this new biography apparently is to show that Sir Henry Thornton was ruined in order that a group of selfish and predatory capitalists in Canada might be able to demonstrate the failure of public ownership of railways. But business and finance in Canada gave Thornton every chance. The only pack that was ever unleashed on Sir Henry was the pack that he had disported himself with during his several years in Canada—namely, the politicians. It was a purely political group that finally teased and yelped at him, seized him and tore him to shreds. The investigation by a parliamentary committee that led to his resignation was itself the sort of publicity stunt that Sir Henry Thornton knew and understood best. It was but an incident in the affairs of the Canadian National Railways, although it may have been the tragic moment of Sir Henry Thornton's life.

Sir Henry Thornton was a failure in Canada. He may have given Canadians a railway that they were for a few years to be proud of but the trick was not to make one railway out of three but to make the one railway pay. Sir Henry accomplished the first by spending money lavishly, so lavishly that he was never able to accomplish the second objective.

He came to Canada to operate a railway free from political influence. He had his misgivings on the matter and after he had been here a few years, he realized that governments cannot refrain from intervention in the management of the only assets they have to show for a major portion of the country's debt. There is no such thing as non-political operation of a great publicly owned utility. It is rather significant that this particular apologist for Sir Henry Thornton is less concerned with that type of political intervention which led to lavish expenditure of money for sectional purposes than with that type of political interference indulged in by Mr. Bennett and Dr. Manion when they attempted to curb the unwarranted extravagance of Sir Henry's régime.

Sir Henry Thornton dug his own grave. His private life and his domestic troubles would have had little to do with his ultimate downfall if he had proved to be a harder headed railway operator. People were little concerned with his all night parties and his divorce. He attempted to play the game of high politics as an alternative to running the Canadian National Railways as a business enterprise and that meant that he had to make some political enemies among politicians craftier than himself. These political enemies did not have to take any positive action to bring Sir Henry to his own doom. It only needed a revelation of the actual manner in which Sir Henry had spent the people's money to bring about his retirement, which was his own admission that his failures were greater than his achievements.

Even under public ownership, even with political interference, a better job could have been done as indeed it has been done in the state railways of South Africa, in certain power commissions in Canada, even in the government post office. There were more capable men in the C. N. R. itself than Thornton. D. B. Hanna, for instance, could have done the job much better.

It is not certain that D'Arcy Marsh, author of "The Tragedy of Sir Henry Thornton" has done his hero's memory a good service in attempting to retell the story of his years in Canada. While he has added some material to what is rapidly becoming the Thornton legend, he has in the main etched out the great personal weaknesses of the late C. N. R. chieftain that were always bound in time to lead him to destroy himself.

## EDITORIAL NOTES

**Now Mr. Stevens** says he had to resign because he would not apologize to Sir Joseph Flavelle. Once before it was because he would not apologize to C. L. Burton. And in still another speech Mr. Stevens blamed his troubles on a "Mr. Gibson," probably David Gibson, of Simpsons. Just who is Mr. Stevens's bête noir? Could it possibly be that Mr. Stevens's worst enemy is Hon. H. H. Stevens?

• • •

**The Russo-American** film writer who is willing to be the guinea pig in a freezing experiment, will have nothing on 120,000,000 other Americans who have been guinea pigs in Roosevelt's social experiments.

## *Post-Scripts*

PRESS agents for General Motors of Canada find there are six Canadian towns bearing names of their automobiles. They are: Cadillac, in Saskatchewan; La Salle, in Manitoba and Ontario; Pontiac, in Quebec; McLaughlin, in Manitoba, and Olds, in Alberta. All the towns were christened, however, before the automobile was heard of.

Not so with the town of Chevrolet, in Kentucky.

When this town grew large enough to need a post office, the subject of a name came up and it was agreed that the place would be named after the first car seen on its streets. That was quite a joke because the town in question was the Blue Diamond Coal Co. camp. Though only 5 miles from Harlan, Kentucky, it might have been 5,000 miles so far as automobiles were concerned. Mountaineers came in on foot or aboard long-eared mules. But one day a Chevrolet made the grade and now a modest frame building bears the sign: "Post Office—Chevrolet, Ky."

Chevrolet now has 800 residents and the motor car population is placed at 60 cars, half of which are said to be Chevrolets.

• • •

TORONTO police, in common with those of other large cities, are frequently subject to abuse from disgruntled lawbreakers for alleged discourtesies.

Surely the action of P.C. "000" in connection with a little matter involving a member of the staff of The Financial Post is above reproach.

P.C. "000," attached to No. 12 police station in Toronto, recently found it his painful duty to serve a summons for speeding at this North Toronto home. Pushing a bicycle to the northern hinterlands of the city on a hot summer day, clad in the hot blue serge of The Law, is irritating business, and P.C. "000" might well have been pardoned for expressing displeasure when he found that nobody was home.

When the offending citizen arrived home, however, he found no evidences of any such displeasure—only a neat little envelope pinned to the front door, addressed "Mr. ———. Personal." Inside was a little note, unscented, which read: "Please have the kindness to call at No. 12 police station for summons, and oblige P.C. '000.'"

Perhaps this admirable gesture of P.C. "000" heralds the dawn of a new Utopia.

## *Sayings of the Week*

"Horace is the politician's poet."—*Sir John Simon.*

• • •

"One compromise usually begets another."—*James M. Wa[illegible]rg.*

• • •

"The public is developing a terrific thirst for a long, cool swig of political quiescence."—*Professor Moley.*

• • •

"The plots which correspondents send me are, I sometimes fear, rehearsals for murders in real life."—*John Rhode.*

• • •

"I started life as a call-boy, but leaving to better myself I became an undertaker's mute."—*Sir Seymour Hicks.*

• • •

"America is 'coming through' by sheer force of its own momentum and the richness of its gifts."—*Sir Josiah Stamp.*

• • •

"Economic liberalism cannot function under constant and arbitrary government interference."—*Ogden L. Mills.*

• • •

"The conditions today call for active participation in public affairs by the best elements of our people."—*Sir Robert Borden.*

• • •

"All your fun fairs and amusement parks are only a huge substitute for neglected, inhibited childishness."—*Karel Capek.*

• • •

"There is something about this depression that doesn't speak well for what we call our common sense."—*Hugh S. Johnson.*

• • •

"Capitalism is not only not dying in the world; it is perhaps more solidly established than it has ever been for 100 years."—*H. L. Mencken.*

• • •

"Scientists do not differ as a class from other educated people in their attitude toward the problems of religion."—*Robert A. Millikan.*

• • •

"We cannot say 'Let there be peace,' and go about other business. Peace must be the result of unceasing endeavor."—*Herbert Hoover.*

• • •

"There are few topics upon which so much rubbish, so much sentimental nonsense has been talked as upon the question of insanity.—*Lord Hewart.*

• • •

"The removal of the perpetual fear of losing one's job is the greatest human problem that will have to be solved in the course of this century."—*Lord Trent.*

• • •

"I have learned from past experience that the star of a motion picture should not be burdened with the responsibilities of a producer also."—*Mary Pickford.*

• • •

"No Scotsman would waste his time with the hard-headed people of Yorkshire, when the easier prey was waiting for him further south."—*Lord Hailsham.*

• • •

"The granting of a college degree should depend not merely upon a little knowledge memorized but upon some habits of honor and courtesy visibly formed."—*Will Durant.*

• • •

"It is vain to deny that I cannot reconcile it with my conscience as a Christian to be a pacifist; I mean the sort of pacifist all those who are not Christians tell a Christian it is his Christian duty to be."—*G. K. Chesterton.*

## The American Scene

# Unemployment Relief

## Major Burden Now Rests on Federal Government—No "Best-Way" Found Yet

**By DR. GAINES T. CARTINHOUR**
**New York Correspondent, The Financial Post**

NEW YORK.—The unemployment relief situation continues to be one of the major problems confronting the Government in Washington just as it is in Ottawa.

Obviously there is a close connection between the trend of business conditions and job relief but in some States and provinces where there has been an upturn in business the cost of work relief has not dropped as much as would ordinarily be expected. Furthermore, the uncertainty as well as the size of the tax burden to finance current and future expenditures is having a decided effect on the recovery movement, particularly in so far as capital investments are concerned.

### Limit of Government Aid

In the U. S. well-informed economists believe the condition of the Federal budget will not permit an outlay of more than $2.5 billion for unemployment relief during the next fiscal year, regardless of whatever relief plan may be followed. Business executives are resigned to an increase in taxes but are determined to do everything possible to have it apportioned in a fair way. This is one of the main reasons the tax bill has met with such determined opposition in both houses of Congress.

The original plan of the Administration, it will be recalled, provided $3.3 billions for public works, $500 millions for State and local aid, and about $700 millions for the C. C. C. and Civil Works programme. The public works plan has not been pushed as expected and recent emphasis has been upon temporary employment until business progressed sufficiently. About $2 billions additional was appropriated for this purpose. But much of what was originally intended to serve as a stimulation to industry has become an out-and-out relief enterprise. Government in and of itself cannot alone provide the necessary stimulus to industry to bring about a sound recovery movement. Other important factors must also be taken into consideration.

### Two Points of View

Two schools of thought differ as to how the relief problem should be handled. One contends that a large volume of relief expenditures is necessary to stimulate industry and the other takes the opposite viewpoint, holding that the relief issue is mainly a political question, demoralizes many homes, develops what are popularly known as "chisellers," is wasteful, and very difficult to co-ordinate. The question as to what should be done rests in the hands of the voters who will officially indicate their opinion at the next election.

### Federal Santa Claus

At present the Federal Government is supplying about 70 per cent of all expenditures for relief in the U. S. Since the States took care of most of this burden during the first few years of the depression but now have been supplanted by Washington, it is not difficult to understand why the latter is being criticized in many quarters for the change and accused of spending money so that indirectly the Democrats will be strengthened politically. One political observer remarked, "beneficiaries of Federal expenditures are not going to shoot Santa Claus at the next election."

The peak of unemployment usually is reached in January, February and March but if business continues to improve many of the employable idle should get work before that time. President Roosevelt believes 90 or 95 per cent of this group will be at work in November but this estimate is probably too optimistic.

### Harvest Raises Problems

Current estimates place the number of unemployed supported wholly or in part by Federal relief at 4,000,000. Seasonal opening up of work on farms is removing many temporarily from relief rolls. In this connection it is interesting to note that statements have been published by many newspapers in the U. S. that thousands of people in the wheat areas have been taken off relief because they have refused jobs that were offered to them in the harvest fields. After being on relief and getting something for nothing there is little inducement to this group to go to work. They prefer to struggle along on little than exert themselves to increase their income.

Improved farm conditions have helped many who want work to secure it. There are various barometers indicating agricultural areas are enjoying better conditions than in many, many years. Reports from statistical services show increased buying of farm machinery, household equipment and clothing. Prices of farm products are better in most cases. This is enabling many farmers to employ more labor and increase purchases of manufactured articles.

### No "Best Way" Yet

Administration of the relief problem is not easy. A vast amount of organization and supervision is required. This has been delayed but that is inevitable because of red tape. It is a slow moving proposition. When general conditions improve sufficiently, it is to be hoped work at a living wage will be available for all those who wish to be taken off the dole.

The best scheme of handling relief or finding a method of "making work" is yet to be found. All are inferior to a revival in business which should bring opportunities for well-paid employment in private industry. The least expensive plan is the direct cash dole even though it is detrimental to morale and does not distinguish between involuntary and voluntary idleness. A public works programme such as slum clearance, etc., is commendable but is very expensive and entails considerable delay in getting started.

It is clear that Federal expenditures for relief should not be continued indefinitely, particularly to the point where the credit of the country is injured. The burden of handling this problem should fall primarily on the States, where it originally was kept within reasonable proportions.

## *Other People's Views*

### Where's Alberta's Statement?
Edmonton Journal

At the end of June the Manitoba Government announced the outcome of its last fiscal year. This terminated a month later than Alberta's and we have yet to learn what were the financial results here. With a new legislature being selected it is most essential that that information be furnished immediately. Otherwise the province's position cannot be properly discussed and it has a most important bearing on the decision that the electors have to make.

There can be no excuse for such a delay in letting the people of Alberta have this information. In 1929 it was given to them in May and in 1930 in July. In both those years surpluses were reported. But subsequently when there were deficits the statements were held off till the autumn. Such a policy was a short-sighted one even from the government's own standpoint. The task of keeping down expenditures to the extent that its financial condition demanded was rendered all the more difficult by letting the new fiscal year proceed for so long without telling the public how the last one had turned out. With an election now in progress, it is imperative that the statement for 1934-35 be made available well in advance of polling day.

This is so indisputable that the government will make a serious political mistake and do the electors a very real injustice if it delays any further.

### Handling Relief
Regina Leader Post

Premier Hepburn's announcement that Ontario will change its relief system and proceed to put a greater share of responsibility back on the municipalities is in line with the policy adopted by the government of Saskatchewan last autumn.

The Saskatchewan Government stood ready to assist the municipalities but pushed back on them a large measure of responsibility for the administration of relief, taking the stand that the people themselves, in their local municipal organizations, must be the ones to give first-hand attention to the problems with which they were faced. The plan appears to have worked well in Saskatchewan. Saskatchewan municipal councils and officials made a pretty good job of handling the relief situation last winter, apparently a better job than could be done by a central body trying to give long-distance management to the affairs of a widely scattered province.

Many municipalities in these days must have help from governments. This is true both in Saskatchewan and Ontario. In Ontario there are seven bankrupt municipalities and in these the government has complete charge. But the main argument in favor of the municipalities wrestling with their own problems is that there is where government must commence. If the people lose interest in the government unit that is at their doorstep—which is the municipal government—they are on their way toward building up a central dictatorship out of which good is not likely to flow ultimately.

### Where Are the Experts?
Calgary Herald

In the latest and presumably the most authentic manual on the Aberhart social credit plan, the question is asked: "How long would it take you to introduce social credit into the province of Alberta?"

The official answer is: "This is a difficult question to answer with precision. Much information will need to be gathered. Expert investigation will have to be made. I would judge that fifteen to eighteen months might be required."

It is time electors of Alberta were informed as to the identity of the experts Mr. Aberhart has in mind, for he must have some individuals in view. Certainly there are no outstanding financiers or economists in the list of sixty-three personally selected social credit candidates. The much-referred-to "experts" must be found elsewhere to present details of a plan which is still surrounded with fog.

Leading Canadian financiers and economists in this country are almost a unit in condemning the leading features of the Aberhart scheme so far as known. Major Douglas cannot be called on, because he has already denounced the Aberhart scheme as visionary and impracticable. In Great Britain the great majority of noted economists are opposed to the ideas of Douglas, and therefore are not likely to subscribe to the Alberta variation of that system.

## *Stop Me If You've Heard This One*

A Scotsman was stripping wallpaper from the walls of his house, when a friend called to see him.

"Weel Sandy," said the visitor, "are ye goin' to have new paper?"

"Na, na," replied Sandy. "Ah'm just movin' into another house."

Insurance agent: "But you surely agree to taking out an insurance policy to cover your burial expense?"

Wily Scot: "Na, na, mon; I micht be lost at sea."


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**Notice to Debenture Holders**
of
**Windsor, East Windsor (Formerly Ford City,) Town of Sandwich, The Roman Catholic Separate School Boards Thereof, Walkerville and Essex Border Utilities Commission.**

In view of the possibility of the early presentation of a plan for the refunding of the debts of the above municipalities, holders of the above debentures are urged to deposit their debentures with the Depositaries for the respective Debenture Holders' Protective Committees with the least possible delay, so that their interests may be protected when a plan is presented.

Information and forms may be obtained from the Depositaries or the Secretaries of the respective Committees.

**Windsor Debenture Holders' Protective Committee**
Secretary: John Appleton, 302 Bay Street, TORONTO.
Depositary: The London and Western Trusts Company Limited, 353 Richmond Street, London, Ont. or any of its Branch Offices.

**East Windsor and/or Ford City Debenture Holders' Protective Committee**
Secretary: T. D. Delamere, 10 Adelaide St. E., TORONTO.
Depositary: The Toronto General Trusts Corp. 253 Bay Street, Toronto or any of its Branch Offices.

**Sandwich Debenture Holders' Protective Committee**
Secretary: A. Ross Little, 320 Bay Street, TORONTO.
Depositary: The Trusts & Guarantee Co. Ltd. 302 Bay Street, Toronto or any of its Branch Offices.

**Walkerville Debenture Holders' Protective Committee**
Secretary: W. F. McIlroy, 302 Bay Street, TORONTO.
Depositary: The Canadian Bank of Commerce, Walkerville, Ontario or any of its Branch Offices.

**Essex Border Utilities Commission Debenture Holders' Protective Committee**
Secretary: R. A. Perigoe, 20 Victoria Street, TORONTO.
Depositary: The Trusts & Guarantee Co. Ltd. 302 Bay Street, Toronto or any of its Branch Offices.

# The Week in Business

### Lure of the Quints

LEO DOLAN, director of the Canadian Travel Bureau at Ottawa tells us there will be an increase of between 25 and 30 per cent in the number of Americans visiting Canada this summer. Gains over last year are fairly general throughout the country, with some areas reporting as high as 80 per cent. Ontario has the outstanding attraction, with Callander and district being the Mecca of some 2,000 tourists daily who hope for a glimpse of the Dionne babies. This year the scenery of Northern Ontario may be only incidental as far as these tourists are concerned, but it is quite probable that it will prove sufficiently alluring to bring them back in other years. And so the Quints may have a more or less permanent influence on Canada's balance of international payments.

* * *

### Total B. C. Wages Up

A $14 million jump in total wages paid in British Columbia last year is attributed by the provincial Board of Industrial Relations largely to minimum wage regulations. Almost 110,000 employees, 19,379 of whom are women, are affected by the 30 orders which have been passed by the board.

The regulations evidently were not as effective in bettering the returns of women workers as their average working week increased from 41.33 hours to 41.81 hours and the wage level declined from $14.87 to $14.78. There was an increase in the number of women for whom reports were received, however, of 1,484. The average working week for male employees was 47.32, the lowest figure in late years. Male wage levels are not recorded.

* * *

### Improvement in U. K.

PROSPECTS for continuance of the business improvement in the United Kingdom, which raised the Economist's business index for June slightly over the 1929 peak, are fairly satisfactory, that journal forecasts. It states that the outlook for the heavy industries is good, that future building prospects are encouraging, and that orders in hand in the iron and steel and engineering are sufficient to maintain the current level of activity for several months. While recovery in the old land is still most marked in the capital equipment industries, gains have made their bow in some of the "consumption" industries as well. For instance, in June textile trades generally, leather and food, drink and tobacco trades all experienced a slight improvement as compared with the previous month and with the same month last year. Foreign trade, however, on which the countries are so dependent, still shows but little improvement.

**Background of Business**

# Quality "Trade-Up"

## More Luxurious Sales—Jam Board Teeth—Poor Showmen

Leading retailers are reporting with enthusiasm a definite trend toward "trading up" in the quality of dry goods and style apparel. It is stated that the demand for evening dresses and cloaks has gone out of the lower price brackets, and in the underwear line, pure silks are said to be gaining popularity. The higher quality in fur coats shown this year is partly due to the scarcity of the cheaper furs, but the higher priced skins are in the spotlight for this winter. Fashion authorities, sensitively tuned to forecast the demand of the coming season, have presented a line of fall styles wherein luxury is once again the keynote in both fabric and design.

* * *

### Plumbers Agreement

As a follow-up to the presentation of a brief to the Federal Government, accompanying which were over 4,000 signed petitions urging that a Fair Trade Board be appointed for the Canadian plumbing industry under the Dominion Trade and Industry Commission, representatives of various branches of the industry are now drafting a skeleton agreement. It is expected that this will be presented to the Commission in October.

It is understood that Hon. Geo. H. Sedgewick, chairman, has interpreted the new bills to those working on the agreement as to how far such agreements may go in regulating matters pertaining to production, prices and relations of manufacturers, wholesalers and the trade. In view of the fact that the plumbing industry was the first to make application for a Fair Trade Board, it will probably receive early attention when the new Commission begins work on Oct. 1.

* * *

### Good July Sales

July is reported as one of the best months in years for hardware dealers, particularly at country points. As a result of the good crops in practically all lines throughout Eastern Canada, goods have been moving briskly and a further improvement in this trade is expected when the crops now being taken in are sold.

A big potential demand for all sorts of farm hardware has been built up over the last three or four years, but actual buying has been delayed until prices and crops improve. That development has now apparently taken place with the best sales in the past five years reported.

* * *

### Hardware Prices Off

Declines have been much more numerous than advances since the beginning of this year in hardware commodities, an annual survey just completed by Hardware and Metal, Toronto, Ont., shows. The comparative index chart, based on prices of forty-six representative hardware lines, taking the total of those prices for 1921 as representing 100, stands at 87.55 as compared with 88.54 in February of this year, and 88.05 in July, 1934. This brings the index back to the level of February, 1934. The low point in hardware prices, as outlined in this survey, came in February, 1932, with the index standing at 86.15. The advance was gradual from that point onward, with only one slight downward reaction, until the last six months.

* * *

### Jam Board Shows Teeth

The new Jam Marketing Board has been exercising its authority, granted—or alleged to have been granted—under the Natural Products Marketing Act. A licensed Toronto producer was recently fined $25 on the charge that he had not paid his tolls to the Board and had elected to ignore the fact that it was in control of the marketing of jams, jellies and marmalade in Canada. In British Columbia a packer was accused of selling undergraded jam and an adjustment of $600 exacted by the Board.

The two firms involved were not among the larger companies so that it is unlikely that the decisions will be fought on constitutional grounds. The larger firms will probably hesitate to break the rules because of the unfavorable publicity. A medium-sized firm that has had its share of the jam business, and which finds its trade slipping fast, might attempt bootlegging methods to dispose of its products and give the Board more trouble.

In a recent address, Hon. Mackenzie King criticized powers given to groups under the Act, and declared himself opposed to the principle of delegating authority which permits such groups to register fines—a prerogative he considers belongs to the Government. In the event of his being elected premier, therefore, there is the probability that the scope of the Act would be changed.

* * *

### Beware the Law

The Financial Post has been advised that the amendments to the criminal code, as provided in Bill 73, come into force September 1, 1935. The only exceptions are those sections which relate to racing and to false or misleading advertising. Enforcement of the advertising clauses was postponed until next January at the request of mail order companies whose fall and winter catalogues are said to have been well under way at the time the legislation was adopted.

The new legislation provides penalties for those who allow special trade terms—rebates, discounts, etc.—to certain customers. It also aims to eliminate cut-throat competition by making illegal, selling at unreasonably low prices and selling at different prices in different parts of the country, when these practices are designed to destroy competition.

Certain fraudulent practices with regard to falsifying wage records, payment of less than minimum wages, and similar acts, are made offenses within the criminal law.

* * *

### Poor Canadian Exhibits

A prominent Canadian wholesaler just returned from a business trip to the United Kingdom states that after examining some of the Canadian exhibits at the British Industries Fair at Birmingham, he was thoroughly disgusted with the quality of many of them. He felt the same way about the attitude of the Canadian government trade representative who was at the information desk.

This wholesaler stated that certain lines of Canadian woodenware displayed as apparently typical of the best produced in Canada, was of very low grade. Certain of the items would not rank better than No. 3 grade in his wholesale stock in this country, he said. A particularly unfortunate part of this situation was that the Prince of Wales with a considerable following paid particular attention to this exhibit and handled a number of the articles in the presence of the crowd. This wholesaler says the impression was distinctly bad because the articles were obviously of poor grade.

The trade representative when approached by this wholesaler kept on reading a newspaper and answered questions in monosyllables, taking no apparent interest whatever in the enquiry. This wholesaler feels that if this is a sample of the type of exhibit made of Canadian products abroad and of the service given by Canadian government trade representatives when enquiries are made of them, it is a wonder Canada has developed any export business.

# Business Indicators

**Carloadings**—During the week, carloadings dropped 1,653 cars to 41,689, or 487 cars less than in the same week last year. Reduced grain shipments account for most of the loss from the previous week. These were 948 cars less than in the previous week, although 450 cars heavier than a year ago. Decreases were also recorded in loadings of coal, lumber, pulp and paper, pulpwood and ore; miscellaneous freight and livestock showed advance.

**Boot and Shoe Production**—Output of boots and shoes continued brisk in June, bringing the total production for the half year to 10.7 million pair, the highest in recent years. Each month this year has shown a gain over the corresponding month of 1934. The June increase, however, was less pronounced than in previous months, the total of 1,756,304 pair comparing with 1,726,529 pair in June, 1934.

### Leading Indicators as Compiled by The Financial Post

▲Denotes new figures this week.

| | WEEKLY DATA —Latest— 1935 | 1934 | Cumulative Total Jan. 1 to date 1935 | 1934 |
|---|---|---|---|---|
| **Transportation—** | | | | |
| Car loadings (Aug. 3) | ▲41,689 | 42,176 | 1,329,813 | 1,310,808 |
| C.P.R. gross earn. (Aug. 7) | $ ▲2,404,000 | $ 2,386,000 | $ 70,058,000 | $ 70,313,000 |
| C.N.R. gross earn. (Aug. 7) | $ ▲3,155,014 | $ 2,895,614 | $ 98,184,718 | $ 96,375,636 |
| **Business Conditions—** | | | | |
| Weekly index D.B.S. (Aug. 3) | ▲99.3 | 86.8 | ...... | ...... |
| | MONTHLY DATA 1935 | 1934 | 1935 | 1934 |
| **Business Conditions—** | | | | |
| Financial post index (June)‡ | 100.8 | 97.4 | ...... | ...... |
| **Transportation—** | | | | |
| C.P.R. net earnings (June) | $ 1,403,812 | $ 1,755,579 | $ 6,062,018 | $ 8,054,412 |
| C.N.R. net revenue (June) | $ 494,332 | $ 988,293 | $ 2,179,065 | $ 4,378,541 |
| **Iron and Steel (June)—** | | | | |
| Pig iron production (tons) | 44,555 | 37,306 | 259,777 | 157,827 |
| Steel ingots and castings prod., (tons) | 73,450 | 64,013 | 388,163 | 397,522 |
| **Automobiles (Number)—** | | | | |
| Passenger Car: | | | | |
| Domestic sales* (June) | 9,606 | 8,486 | 56,733 | 44,100 |
| Factory output (June) | 12,276 | 10,810 | 90,327 | 67,084 |
| Trucks and Buses: | | | | |
| Domestic sales* (June) | 2,031 | 1,639 | 11,004 | 6,759 |
| Factory output (June) | 3,469 | 3,095 | 20,939 | 14,900 |
| Exports (June) | 4,873 | 5,298 | 33,578 | 23,911 |
| **Construction—** | | | | |
| Building permits (June) | $ 5,117,066 | $ 2,411,460 | $ 24,629,071 | $ 10,411,377 |
| Contracts awarded (July) | $ 18,549,240 | $ 11,190,500 | $ 94,143,700 | $ 72,107,200 |
| **Newsprint (tons)** | | | | |
| Production (June) | 232,020 | 229,637 | 1,284,903 | 1,261,633 |
| Exports (May) | 239,880 | 207,070 | 936,333 | 923,281 |
| **Sugar (lb.)** | | | | |
| Melting & shipments§ | 91,171,100 | 82,544,198 | 382,273,000 | 321,755,074 |
| Manufactured§ | 89,275,627 | 83,543,766 | 384,367,736 | 316,407,023 |
| **Flour (bbls.)** | | | | |
| Production (June) | 991,559 | 1,127,477 | 6,134,106 | 6,600,671 |
| Wheat flour exports (July) | ▲395,232 | 408,028 | 2,638,217 | 2,941,639 |
| **Trade (June)—** | | | | |
| Imports | $ 46,738,689 | $ 46,185,892 | $ 260,387,393 | $ 247,389,850 |
| Exports | $ 51,869,189 | $ 58,045,528 | $ 300,265,149 | $ 289,659,061 |
| Wheat exports (bush.) (July) | ▲9,158,035 | 12,979,231 | 54,163,556 | 77,700,575 |
| **Employment, D.B.S. Index—** | | | | |
| All industries (July 1) | 99.5 | 101.0 | ...... | ...... |
| Manufacturing | 98.5 | 93.8 | ...... | ...... |
| **Electric Power Output (June)—** | | | | |
| Total monthly (000's omitted) | 1,815,912 | 1,708,632 | 11,379,753 | 10,374,384 |
| Aver. daily | 60,530,000 | 56,954,000 | ...... | ...... |
| **Other Industrial Indices—** | | | | |
| Lumbering: | | | | |
| Plank & Board exports, mill (June) | 129,800 | 123,730 | 587,165 | 627,659 |
| Boot & shoe prod., pr. (June) | ▲1,756,304 | 1,726,529 | 10,664,240 | 9,307,372 |
| Crude petrol., imp. gal., (June) | 131,873,166 | 114,880,249 | 442,622,733 | 428,154,983 |
| Cotton imports, lb., (June) | 7,397,290 | 13,415,388 | 51,051,859 | 72,624,145 |
| Raw rubber imp., lb. (June) | 3,215,286 | 4,946,790 | 29,939,767 | 30,980,164 |
| Coal imports, tons (June) | 1,506,196 | 1,532,375 | 5,145,986 | 5,200,922 |
| **Finance—** | | | | |
| Bank debits† (June) | $ 2,710,311 | $ 2,602,126 | $ 15,216,136 | $ 15,442,712 |
| Bond sales (June) | $ 62,687,685 | $ 9,343,724 | $ 281,042,341 | $ 190,182,059 |
| Life insurance sales (June) | $ 32,112,000 | $ 32,277,000 | $ 181,557,000 | $ 188,085,000 |
| **Automobile Financing—** | | | | |
| Used cars (June) | $ 2,286,465 | $ 1,797,387 | $ 11,472,586 | $ 7,010,972 |
| New cars (June) | $ 2,669,173 | $ 2,469,198 | $ 14,132,586 | $ 9,639,974 |

*D.B.S. All-Canada figure comprising over 90% of the Canadian total.
†000's omitted. §For 4 weeks to July 13. ‡Preliminary.


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### Commodity Prices

| | Latest week | Previous week | Same week last yr. |
|---|---|---|---|
| Cattle | $7.00 | $6.50 | $5.50 |
| Hogs | 10.35 | 10.60 | 8.85 |
| Copper, lb. | .08 | .08 | .09 |
| Cotton, lb. | .1160 | .1190 | .1355 |
| Rubber, lb. | .1194 | .1215 | .1557 |
| Sugar, raw, lb. | .0316 | .0320 | .0332 |
| Silk, lb. | 1.64 | 1.59 | 1.22½ |
| Wheat (Man.) bus. | .82¼ | .84⅜ | .87⅜ |
| Coffee, lb. | .06⅜ | .06⅜ | .09¾ |
| **Weekly Indices** | | | |
| N. Y. Annalist | 126.4 | 125.0 | 115.7 |
| Fishers' | 83.1 | 82.9 | 77.8 |
| N. Y. Journal of Comm. | 80.5 | 79.8 | 76.6 |
| Crumps (Brit.) | 64.8 | 64.6 | 65.0 |
| U. S. Labor | 79.2 | 79.1 | 74.7 |
| Canada (D.B.S.) | 71.8 | 71.4 | 72.4 |

| Monthly Indices | Latest w'sale | Prev. month | Same month last year |
|---|---|---|---|
| Canada (D.B.S.) | | | |
| Retail (June) | 78.7 | 78.7 | 78.0 |
| W'sale (June) | 71.5 | 72.3 | 72.0 |
| U. S. Labor (June) | 79.8 | 80.2 | 74.6 |
| Gt. Brit. (May) | 68.6 | 66.7 | 65.4 |

Note: Indices on all base 1926 = 100. British index is Economist converted to 1927 base.

Base of price quotations is as follows: cattle—steers, good, over 1,050 lb., top price. Toronto: copper—electrolytic, New York: silk—Japanese, 13-15. New York: sugar—96 degrees centrifugal c/f New York: wheat—No. 1 Man. North., Ft. W. Pt. A. basis; hides—heavy native steers; select bacons. Toronto.

# BUTTER AND EGG "RING" TO BE READY BEFORE OCTOBER 1

## Canadian Commodity Exchange Completing Details of New Division

From Our Own Correspondent

MONTREAL.—Further progress is being made in the plan for the establishment of the produce section of the Canadian Commodity Exchange, to deal in butter, eggs and cheese futures. Expectations are that trading will open on or before October 1. Work is now proceeding on changes to the building, which houses the silver "ring," and the "rings" for butter, cheese and eggs will be completed well in advance of the opening.

At an informal meeting toward the end of last week of members of the produce section of the Exchange, consideration was given to the proposed new by-laws and the organization which has been set up. Personnel of the various committees will be announced shortly. It is planned to give as wide a representation as possible, particularly to large produce centres like Toronto, and Winnipeg, in the councils of the Exchange.

### Will License Warehouses

The question of licensing warehouses will be taken up in the next week or two. As all deliveries against contracts executed on the Exchange will have to be from licensed warehouses, considerable importance is attached to the approval of these. In this connection, it is expected that the Exchange will ask standardization of forms and other details which are not now in practice.

With the completion of the Exchange by-laws, the by-laws for the clearing association will be drafted, and applications for membership in that association will be forwarded to those of the trade who have joined the Exchange.

# Br. Columbia Tourist Trade Losing Money

British Columbia has awakened with a jolt to the fact that instead of making money on its tourist business it is actually losing money. At the present time twice as many British Columbia residents are touring outside the province as those from outside points who are touring inside it, and the tourist trade, instead of being helpful, is actually a heavy drain on British Columbia business. This fact is definitely proved by detailed figures recently issued by the Dominion Bureau of Statistics.

These are some of the surprising facts revealed by the bureau's survey of the 1934 tourist season:

In that year 110,041 outside cars came into British Columbia, while 168,412 British Columbia cars went out of the province to the United States. In terms of trade, the balance was more than 50 per cent against British Columbia.

Automobile tourists from the United States spent $5,507,000 in British Columbia, while British Columbians, touring the United States, spent $10,699,000 there. Thus, the automobile tourist business represented a net loss to British Columbia of $5,192,000 instead of the large gain that most British Columbians imagined.

These figures would seem to confirm the contention of tourist organizations that, to counteract the flow of tourist money out of Canada into the United States, British Columbia must increase the automobile movement north across the border at least one hundred per cent if an actual loss is to be avoided. Also the figures completely destroy the theory that B. C.'s unfavorable balance of ordinary trade with Eastern Canada is largely counterbalanced by invisible exports in the form of tourist revenues.

# CHRYSLER CORP. PLANS ADDITION WINDSOR PLANT

## Mansfield Sees Business Outlook More Hopeful

Chrysler Corporation of Canada, Ltd. will call for tenders in the near future for construction of a $350,000 addition to its Windsor plant. Construction is scheduled to begin early in September and will be completed in November. When the addition is completed, the company will bring more of its manufacturing operations within its own plant, and enlarge production facilities to take care of the increased demand for its products.

The company states that production facilities at the No. 3 plant have been taxed to capacity since the revival of automobile buying. In the first half of this year, Chrysler Corp. secured 23.6 per cent of the total available business, as measured by the number of new passenger cars registered. Including the addition, there will be in use this fall nearly ten times the floor space used in 1925 when the company began operations in Windsor.


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### Druggists to Prepare Draft Code of Ethics

At the recent convention in Victoria the Canadian Pharmaceutical Association appointed a committee to draw up a code of ethics. The code will be submitted to provincial associations for their approval.

### New Products

**Lifto Waffle Iron**—Lately introduced in Canada by Samson-United of Canada Ltd., Toronto. Features include: automatic heat indicator, telling when grid is at correct baking temperature, also mirror finish stickproof grids.


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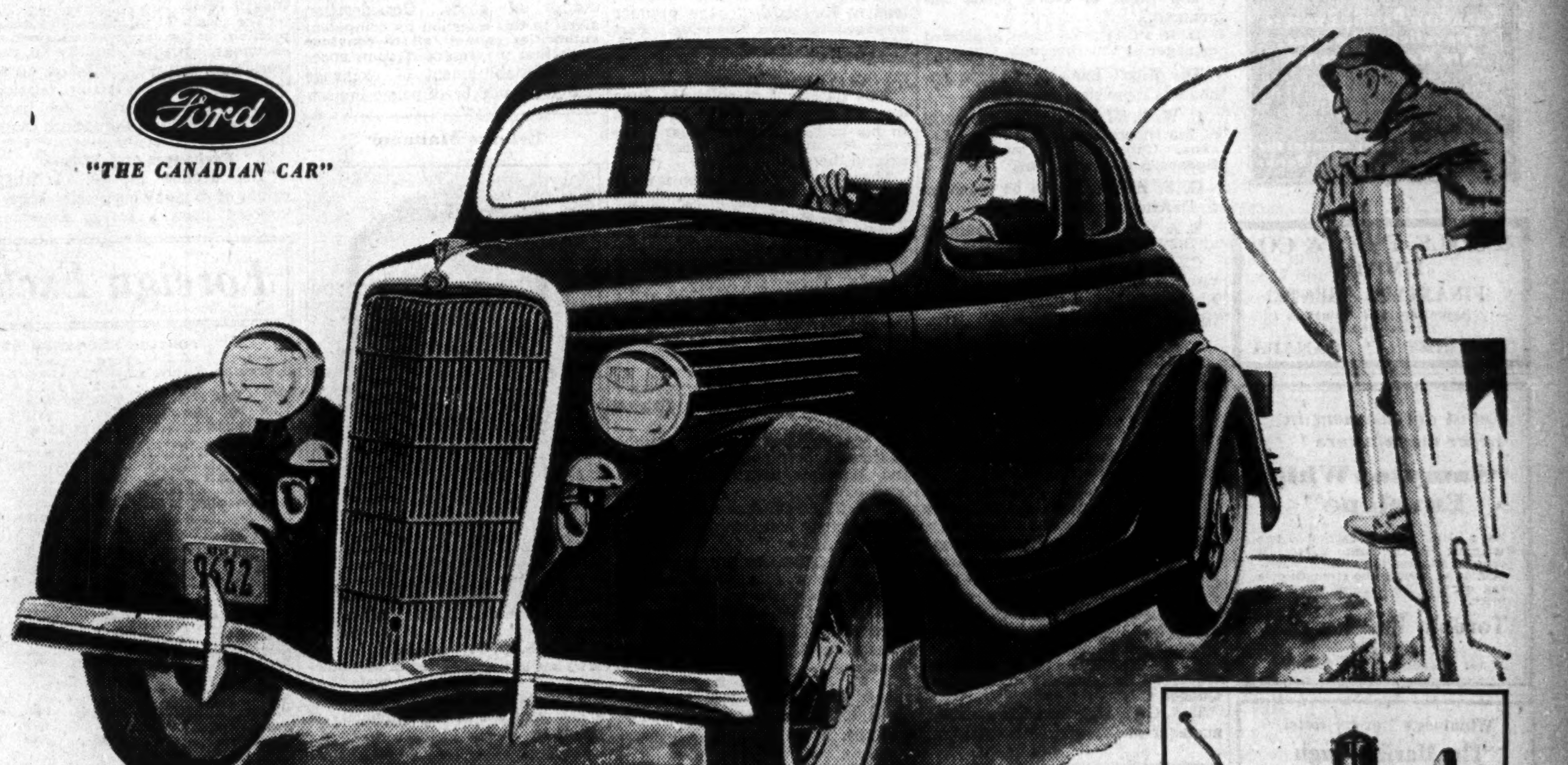


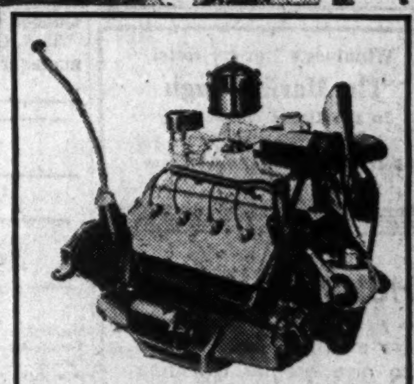
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Levy Bros.

69 W. King St., Toronto

## Weekly Bank Clearings

| | Aug. 8 1935 | Change year ago | Aug. 1 1935 |
|---|---|---|---|
| | $ | % | $ |
| Halifax | 2,258,075 | +10.8 | 1,928,761 |
| Saint John | 1,733,391 | +12.0 | 1,558,451 |
| Moncton | 626,756 | +4.4 | 613,008 |
| Sherbrooke | 597,832 | +12.1 | 511,198 |
| Quebec | 4,934,901 | +28.7 | 3,693,887 |
| Montreal | 79,326,249 | +4.2 | 74,471,134 |
| Ottawa | 22,042,477 | +481.6 | 34,079,768 |
| Kingston | 556,896 | +14.6 | 459,719 |
| Peterborough | 532,222 | +5.2 | 609,119 |
| Toronto | 89,273,763 | +13.7 | 89,283,667 |
| Hamilton | 3,755,128 | +16.6 | 3,241,027 |
| Kitchener | 924,121 | +25.4 | 963,344 |
| Brantford | 773,548 | +15.1 | 630,934 |
| London | 2,304,852 | +22.4 | 2,152,240 |
| Chatham | 334,826 | −0.8 | 304,508 |
| Windsor | 1,012,053 | +4.5 | 1,213,919 |
| Sarnia | 453,730 | +26.8 | 326,236 |
| Sudbury | 550,329 | −6.3 | 719,730 |
| Fort William | 706,786 | +20.4 | 524,757 |
| Winnipeg | 95,099,639 | +56.8 | 51,154,273 |
| Brandon | 291,684 | −2.9 | 270,309 |
| Regina | 4,722,480 | +64.2 | 3,481,961 |
| Moose Jaw | 655,525 | +58.1 | 382,089 |
| Saskatoon | 1,601,940 | +29.1 | 1,675,208 |
| Prince Albert | 355,471 | +32.9 | 300,695 |
| Edmonton | 3,389,863 | +9.7 | 3,303,610 |
| Calgary | 4,892,258 | +18.2 | 4,523,264 |
| Medicine Hat | 254,468 | +19.9 | 134,861 |
| Lethbridge | 538,645 | +45.0 | 352,399 |
| N. W'minster | 500,726 | +5.3 | 520,084 |
| Vancouver | 16,400,350 | −3.6 | 15,587,732 |
| Victoria | 1,686,307 | +13.4 | 1,449,291 |

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# Bank Chat

### Banks and Interest Rates

SOME of our banks evidently intend to go further with interest rate reductions in the promotion of business recovery. At least further reductions in rates on advances are not to be expected without compensating reduction in deposit rates. D. M. Marvin, economist of the Royal Bank, states: "It is possible that the average rate of interest in Canada may recede somewhat further, but in our opinion the movement as far as the banks are concerned has gone as far as is necessary to give the proper stimulus to orderly recovery. Present or lower rates of interest on long-term borrowings will depend not so much on pressure of the banks to invest their funds as on the confidence of the investing public in economic and financial policies of governments."

* * *

### The Last of the Gold Reserves

ALL that remains of the gold hoard of the Canadian Bank of Commerce is a modest $125. Gold bullion of the bank has, of course, been transferred to the Bank of Canada. The $125 represents pre-war coins which have been in the bank's collection for some time. Some are of considerable worth; some have a most interesting history. Among them is a very rare overweight $20 coin issued without Home authority by the British Columbia government in 1862. Very few of these are in existence, and it is believed that the coin would fetch $1,000 in a good market.

* * *

### Imperial's Vault Door

MORE than 25 tons of the finest heat-proof, burglar-proof steel was laboriously lowered from a trailer on a criss-cross structure of timber through a hole in the sidewalk of downtown Toronto last week. The usual curious sidewalk gathering watched proceedings, while police diverted traffic. So the safety deposit vault door was placed in the new Imperial Bank head office. Construction of the bank's new home has afforded entertainment to downtown Toronto for weeks. When building was booming, office boys, speculators and money tycoons were able to relieve the monotony of the boardroom by ogling at many an excavation. Due to the meagre amount of building in the past year, however, the Imperial Bank job had the audience all to itself.

* * *

### Bankers' Golf

VACATION days enabled us to play a round of nine holes of golf with an amiable banker friend. His 44 would not be good enough to win championships, but it was better than our not-to-be-sniffed-at 48. Also it belied the rules about backswings. Like a baseballer, our banker-golfer bent his elbows sharply and came back fast. Using this unorthodox method, he kept the ball down the middle. Probably a few lessons would pull his score up to 54 for the nine holes. It seems to bear out Dink Carroll's recent article in Maclean's about playing your own game. Anyway it wouldn't seem right for a banker to borrow too much from others; not even golfing ideas.

* * *

### Staff Changes

**The Bank of Nova Scotia** announces:

D. R. PLATT has been appointed manager at Peterborough, Ont.

**The Royal Bank of Canada** announces these staff changes:

C. W. B. FITZGERALD, formerly of the supervisor's department, Havana, Cuba, to be manager at Buenos Aires, Argentina.

G. S. HAWKINS to be manager at Dorchester, N.B.

E. A. CAPSTICK to be accountant at St. John's, Newfoundland.

C. W. FRAZEE, formerly supervisor of branches in Quebec, New Brunswick and eastern Ontario retired on pension on June 30.

**The Bank of Toronto** announces: WILLIAM MILLER of head office staff has been appointed manager of Church and Wellington branch, Toronto, in succession to A. S. TOWERS.

**Bank of Montreal** announces the following staff changes:

J. S. ENGLAND, of head office, to be acting manager at Charlevoix and Centre, Montreal.

R. G. ELDRIDGE, formerly manager Charlevoix and Centre, Montreal, to be manager at Mahone Bay, N.S.

H. P. BOUCHER, formerly manager at Mahone Bay, to be manager at Woodstock, N.B.

E. E. RUTHERFORD, of head office, to be assistant manager at Quebec City.

T. R. GILBERT formerly assistant manager at Quebec, to be assistant superintendent of Manitoba district, Winnipeg.

J. MACRAE, of head office, to be assistant superintendent of Quebec and Maritime districts, located at head office.

H. C. CHAPIN, formerly manager at Edgerton, Alta., to be manager at Castor, Alta.

G. B. GORRELL, formerly manager at Castor, Alta., to be manager at Davidson, Sask.

E. M. ALEXANDER, formerly manager at Davidson, Sask., to be manager at McGregor and Selkirk, Winnipeg.

J. M. DELANEY, former manager at Portage and Goulding, Winnipeg, to be manager at Morley and Osborne, Winnipeg.

# ONTARIO OPENS SAVINGS OFFICES IN THREE CITIES

## Kitchener Savings Office Latest — New Ones at Toronto and Guelph

## BRANCHES TOTAL 21

### Province Proceeds Cautiously With Expansionist Scheme — Makes No Capital Outlays

Opening of new Province of Ontario Savings offices will be carried out with caution, not in haste, The Financial Post is informed. Branches now total 21.

Since Premier Hepburn announced in June the government's intention of opening 30 or more new offices, three have been opened. One in the provincial parliament buildings was opened some time ago.

The latest opening was at Kitchener this week, when an office was opened at Queen and King Streets with J. C. McDonald as acting manager. Toronto staff members went to Kitchener to supervise the initial operations. Another office was opened at Guelph and another in Toronto on uptown Yonge St., making six of the branches in the Ontario capital.

**Further Expansion**

A branch is expected to be opened in London in the early autumn. Plans for further openings are under consideration. The programme of expansion is being worked out gradually and may extend over many months.

It is understood that the province is making no capital expenditures in connection with the new offices. Landlords are being asked to alter premises to conform with the needs of the savings offices. Other precautions are being taken against those who might try to make a good thing out of provincial tenancy.

**Economic Basis**

Provincial authorities are determined to open and operate offices only on an economic basis. One factor, for instance, which has slowed the opening of new offices is the necessity for consideration of circumstances in each case. "We are not going to be pinched for high rents," one official stated to The Financial Post.

The principle upon which offices are to be opened is this. If it is estimated that an office will bring $1,000,000 of deposits, then that office will be opened only if estimated expenses are within reason. Rental would have to be modest and staff comparatively small to warrant opening of such an office. The province is thus trying to keep the cost of money borrowed through the savings offices low.

The raising of the rate paid on deposits from two to 2½ per cent is apparently partly responsible for a rise of $4 millions in the total of deposits to about $25.5 millions. While the 2½ per cent rate is one-half per cent above the rate on bank deposits, it is just the same as is paid by trust and loan companies for their notice deposits.

**Expansion Forecast**

The prediction that 30 to 50 new savings offices would be opened quickly was made by Premier Hepburn at the time of the recent Ontario loan. Irked by non-receipt of tenders for his loan, the premier arranged his own financing. Part of his scheme to raise funds, he said, would be the opening of many new savings offices.

This statement of policy in June was not strictly a change of intent. In his budget speech earlier this year, Mr. Hepburn said he might expand the savings offices.

There are now 21 Ontario savings offices in operation, including the new ones at Toronto Guelph and Kitchener. There were 18 of the offices in operation at June 30, according to the monthly bank directory of Canada. They were located at Aylmer, Brantford, Hamilton (2), Newmarket, Ottawa, Owen Sound, Pembroke, Seaforth, St. Catharines, St. Mary's, Toronto (5), Walkerton and Woodstock.

# Prices Would Rise Were Gold Resumed

## Gold Standard Would Relieve Unemployment Says World Bank

A tendency for price levels to rise and for international trade to increase are major probable consequences if an international gold standard were resumed, according to the annual report of the Bank for International Settlements, Basle, Switzerland. Implicit in the report is the assumption that a gold standard will be restored internationally.

Outlining the problem of fluctuating currencies as a major bar to world recovery, the report states, in part:

"World trade today is hampered by tariffs, quotas, fluctuations in currencies, exchange restrictions, clearing arrangements and other hindrances. Nevertheless, international commerce continues and the resistance shown to these forces of disintegration should not be underrated. It is true that the aggregate value of world trade when measured in gold values has fallen by more than 60 per cent since 1929. However, the volume of goods exported and imported has been reduced by only 25 per cent from the peak year of 1929 and that is fully up to the level of 1913.

**What Gold Would Do**

"Restoration of international monetary stability would in all probability lead to a distinct increase in the volume of trade. The multiplication of tariffs, quotas and prohibitions in recent years has largely been a result of certain currency changes. There can be very little hope of a return to freer trade so long as the present monetary uncertainty prevails. The cause of the evil must be removed before the evil itself can be overcome.

"After the war when the fall of prices had been arrested and the principal currencies stabilized, a general movement of economic demobilization set in. Import and export prohibitions were practically abolished within a few years and tariff rates lowered through the conclusion of the commercial treaties. If in the world of today exchange stability were achieved through a return to gold, it is likely that instead of a fall there would be a rise in prices, which would create conditions favorable to a reduction in trade barriers. Such a rise would mean that the value of international trade, whether measured in gold or national currency, would attain a higher total and thus facilitate the payment of foreign debts.

**Effect on Employment**

"Moreover, the problem of unemployment is aggravated by the low level of activity in export industries, particularly as the sale abroad of manufactured articles has been obstructed by more hindrances than the foreign sale of raw materials. How far can home trade be safely stimulated when no expansion takes place in foreign trade? Must a number of the unemployed be slowly and painfully transferred from the export industries to catering for the home markets?

"Great relief would obviously be obtained if there were a genuine recovery in the international exchange of goods. Consideration given to this question by competent authorities cannot fail to convince them that in present circumstances the re-establishment of exchange stability would be of prime importance as a stimulus to world trade and may provide the clue to the solution of internal problems.

**Course of Exchange**

"When Great Britain suspended gold payments in September, 1931, and was followed by a number of other countries, the exchange rates of the currencies thus subject to depreciation were generally allowed to fluctuate on the respective exchange markets without interference on the part of the monetary authorities. This inaction was soon found to be attended with many disadvantages, as fluctuations in the rates tended to become relatively wide to the great concern of trade and industry.

"It is, indeed a vulnerable point of uncontrolled currencies that every movement, seasonal or otherwise, gathers momentum by itself. In countries which suspended the gold standard the central bank or some specially instituted exchange fund was soon charged with the task of trying to smooth out temporary fluctuations of exchange.

**Two Currency Groups**

"In the daily management of the exchange position, practically all countries have adopted some definite principle of control which makes it possible to distinguish between two main groups. In the first place, there is a group of countries whose exchange rates are kept stable in relation to gold. This group is much larger than the so-called gold bloc. Besides France where the free delivery of gold has been fully maintained and the remaining members of the gold bloc—Holland, Italy, Poland and Switzerland—there are Albania, Belgium, Bulgaria, Cuba, Czechoslovakia, Danzig, Germany, Greece, Iran, Latvia, Lithuania, Mexico, Roumania, Spain, Turkey, United States, Uruguay and Jugoslavia.

"The other large group comprises Great Britain and the countries which in their exchange policy follow more or less the movements of sterling. To this group belong Argentina, Australia, Bolivia, Brazil, Colombia, Denmark, Egypt, Estonia, Finland, Great Britain, India, the Irish Free State, Japan, Norway, New Zealand, Paraguay, Portugal, Siam, Straits Settlements, Sweden, South Africa, and the British crown colonies.

**Canada Individual**

"There are relatively few nations not in one or other of these two groups. There are the three silver territories, China, Hong Kong and Manchukuo, following their own destinies; Hungary which officially maintains the gold pengo but allows most of her trade to be paid for under clearing arrangements at the depreciated rates; Canada, striking a rather individual line, linked rigidly neither to gold nor sterling; and certain South American countries, difficult to classify, especially as during the past year the exchange restrictions have been at least partially lifted leading in some instances to a technical rather than a real alteration of the quoted exchange rates.

"For practical purposes, the main problem of bringing about further exchange equality stability in the world has reduced itself to a question of achieving a stable relation between sterling on the one hand and the dollar and the French franc linked to gold on the other.

**Exchanges and Prices**

"The decline in the exchange values of so many currencies, superimposed upon a severe economic depression, has naturally affected a movement of commodity prices in terms of gold as well as in terms of the individual currencies. However, it is by no means easy to get a clear idea of causation in these matters; to what extent prices have determined exchanges, or exchange rates prices; or to what extent some third factor, as for instance, credit policy and programme of government subsidies and spending have influenced both exchange rates and price movements.

"From 1931 to the beginning of 1935, the downward adjustment of prices and costs continued in France more or less uninterruptedly. In Great Britain wholesale prices and cost of living remained practically unchanged in spite of the depreciation of the pound and the pursuit of the policy of cheap and plentiful credit. In the United States, on the other hand, a marked recovery in prices and an advance in the cost of living stepped in after depreciation.

**Price Rise Seen**

"On a gold basis, the present British price level is about 15 per cent below the previous lowest point ever recorded since 1800. In view of the large current gold production, the magnitude of the monetary reserves, particularly as re-valued at present rates of exchange (and the amount of gold that may come out of hoards consequent upon stabilization) it would indeed be strange if prices did not show a rising tendency after a general return to gold. Such a price recovery would render internal adjustment in the national economy of individual countries easier and also help to eliminate disequilibria in the economic relationship between different countries."

## Estates Manager

**S. O. P. GEMMILL**

Who has been appointed estates manager of the Winnipeg branch of Toronto General Trusts Corp. He is a law graduate of the University of Manitoba.

## Bank of Canada Weekly Statement

Large changes in deposits and minor increases in security holdings are features of Bank of Canada statement for the week ended Aug. 7. Decline of $17.5 millions in Dominion government deposits and rise of about $16 millions in deposits of chartered banks are related to Aug. 1 financing. The government had to meet $50 millions of notes held by banks on Aug. 1. Of this, $30 millions was met by sale of treasury bills. The remaining $20 millions was apparently met partly from the government's deposit, partly from a Bank of Canada loan. The payment swelled the banks' deposits with the Bank of Canada. Increase of the bank's security holdings may indicate some open market buying.

**Balance Sheet**

| Weeks Ending: | Aug. 7 | July 31 |
|---|---|---|
| **Liabilities** | $ | $ |
| Capital paid-up | 5,000,000 | 5,000,000 |
| Notes in circ. | 78,986,393 | 77,135,296 |
| Dep.: Dominion | 26,830,447 | 44,363,723 |
| Banks | 185,954,804 | 169,916,600 |
| Other | 840,633 | 810,709 |
| Total deposits | 213,625,884 | 215,091,032 |
| All other liabs. | 1,337,165 | 1,006,356 |
| Total liabilities | 298,949,442 | 298,232,685 |
| **Assets** | | |
| Reserve: Gold | 179,907,166 | 179,937,152 |
| Silver bullion | 1,360,683 | 1,212,002 |
| Res. in sterling | 354,596 | 701,134 |
| Res. in U. S. | 9,704,472 | 11,264,522 |
| Res. elsewhere | 8,192 | 8,215 |
| Total reserve | 191,335,109 | 193,123,024 |
| Subsidiary coin | 336,253 | 336,274 |
| Adv. to govt. | 6,241,250 | 1,240,625 |
| Investments: | | |
| Dom. govt. short. | 16,175,369 | 15,217,285 |
| Other Dom. govt. | 80,263,177 | 79,989,428 |
| Total invest. | 96,438,547 | 95,206,713 |
| Premises | 119,177 | 119,177 |
| All other assets | 4,479,106 | 8,206,872 |
| Total assets | 298,949,442 | 298,232,685 |
| Reserve ratio | 65.39% | 66.09% |

## Saint John Handles Larger Tonnage in June

**From Our Own Correspondent**

MONTREAL.—Cargo tonnage handled at the port of Saint John during June, 1935, recorded a small increase over that reported for the same month a year ago. Imports of 36,970 tons as compared with 28,971 tons a year ago, an increase of approximately 25 per cent.

# Foreign Exchange Markets

**FOREIGN EXCHANGE AT TORONTO AND MONTREAL**

| | Par $ | Aug. 6 | Aug. 7 | Aug. 8 | Aug. 9 | Aug. 10 | Aug. 12 |
|---|---|---|---|---|---|---|---|
| U. S. dollar, High | .5906 | 1.00 1/32 | 1.00 1/16 | 1.00 1/16 | 1.00 1/16 | 1.00 1/32 | 1.00 1/32 |
| Low | .5906 | 1.00 1/32 | 1.00 1/16 | 1.00 1/16 | 1.00 1/16 | 1.00 1/32 | 1.00 1/16 |
| 1934, High | .5906 | .98⅛ | .98⅛ | .98 1/32 | .97½ | .97⅝ | .97½ |
| Low | .5906 | .98⅛ | .97⅓ | .98 1/32 | .97½ | .97⅝ | .97 1/16 |
| U. K. pound | 4.8665 | 4.96½ | 4.93¾ | 4.96¾ | 4.96⅞ | 4.97½ | 4.98 |
| Argentina | .4246 | .2693 | .2670 | .2682 | .2679 | .2680 | .2689 |
| Australia | 4.8665 | 3.9650 | 3.9645 | 3.9665 | 3.9675 | 3.9717 | 3.9787 |
| Austria | .1407 | .1907¾ | .1902¾ | .1903 | .1904 | .1904¾ | .1906 |
| Belgium | .1392 | .1692½ | .1693 | .1692½ | .1692 | .1694 | .1694 |
| Brazil | .1963 | .0530½ | .0550½ | .0540 | .0530 | .0535½ | .0541 |
| Czechoslovakia | .0296 | .0418½ | .0416⅓ | .0416½ | .0416¾ | .0416½ | .0417 |
| Denmark | .2680 | .2217½ | .2219 | .2220 | .2220½ | .2222 | .2225½ |
| France | .0392 | .0662¾ | .0663¼ | .0662¾ | .0663 | .0663¼ | .0664½ |
| Germany | .2382 | .4038¾ | .4041¾ | .4043½ | .4045½ | .4045¾ | .4050 |
| Greece | .013 | .0094⅞ | .0094¾ | .0094¾ | .0094⅞ | .0094⅞ | .0095½ |
| Holland | .4020 | .6783 | .6780 | .6779 | .6778 | .6775 | .6785 |
| Hungary | .1749 | .2982¾ | .2978 | .2977 | .2977 | .2977¾ | .2985 |
| India | .3650 | .3780 | .3783½ | .3785 | .3785 | .3788½ | .3791 |
| Italy | .0526 | .0821¾ | .0822¼ | .0823 | .0822½ | .0823¼ | .0825 |
| Japan | .4985 | .2927¾ | .2930¼ | .2931¾ | .2932 | .2934¾ | .2940 |
| Jugoslavia | .1929 | .2030¾ | .0231 | .0231 | .0231¼ | .0231¼ | .0231½ |
| New Zealand | 4.8665 | 4.0050 | 4.0045 | 4.0065 | 4.0075 | 4.0117 | 4.0187 |
| Norway | .2680 | .2495 | .2496¾ | .2497½ | .2498½ | .2500 | .2500½ |
| Poland | .1122 | .1906 | .1901 | .1902 | .1903 | .1904 | .1906 |
| South Africa | 4.8665 | 4.9414 | 4.9407 | 4.9432 | 4.9445 | 4.9497 | 4.9584 |
| Spain | .1929 | .1373 | .1374¾ | .1375 | .1375 | .1374¾ | .1377 |
| Sweden | .2680 | .2560 | .2562½ | .2563 | .2563½ | .2565 | .2570 |
| Switzerland | .1930 | .3277 | .3278 | .3277½ | .3277 | .3280 | .3285 |
| Hong Kong | .5422 | .5240 | .5224¾ | .5213 | .5208 | .5209¾ | .5213 |

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—to regulate body processes and protect against disease (Minerals and Vitamins).

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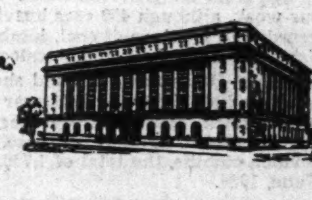

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## Great Lakes Paper Mill Sets Production Record

A world's record for paper production was established at the Great Lakes Paper Company's mill at west Fort William recently when the 304-inch paper machine produced 200.5 tons of newsprint in a 24-hour run. The previous record for such a run was 194.4 tons.

## Severe Godin, F. C. Douglas on English Electric Board

Severe Godin, Jr., Montreal, and F. C. Douglas, St. Catharines, Ont., have been added to the board of directors of English Electric Co. of Canada. T. H. Watson, Toronto, has resigned from the directorate.

# Position of Chartered Banks of Canada as of June 29, 1935, Shown by Monthly Returns to Minister of Finance

**LIABILITIES**

| NAME OF BANK | Notes in Circulation | Balance Due to Dominion Government | Balances Due to Provincial Governments | Advances from Bank of Canada | Demand Deposits in Canada | Savings Deposits in Canada | Deposits Elsewhere |
|---|---|---|---|---|---|---|---|
| | $ | $ | $ | $ | $ | $ | $ |
| Montreal | 31,103,522 | 4,766,752 | 6,969,551 | ........ | 146,893,196 | 394,573,681 | 62,574,134 |
| Nova Scotia | 11,152,151 | 3,809,230 | 1,020,676 | ........ | 35,019,706 | 136,827,694 | 38,330,658 |
| Toronto | 5,454,110 | 761,198 | 1,290,655 | ........ | 22,831,514 | 66,576,849 | ........ |
| Provinciale | 3,592,483 | 230,976 | 176,345 | ........ | 5,340,526 | 32,848,721 | ........ |
| Commerce | 26,785,598 | 7,332,599 | 10,596,578 | ........ | 115,415,432 | 290,263,280 | 51,334,590 |
| Royal | 31,282,776 | 10,788,735 | 11,485,181 | ........ | 145,172,031 | 275,251,582 | 182,824,888 |
| Dominion | 6,542,940 | 1,524,443 | 598,521 | ........ | 29,109,429 | 64,438,868 | 3,774,259 |
| Nationale | 6,756,524 | 1,149,541 | 1,338,591 | ........ | 18,737,524 | 81,934,263 | 1,108,674 |
| Imperial | 6,610,273 | 1,464,404 | 2,045,687 | ........ | 24,708,578 | 78,746,973 | ........ |
| Barclays (Canada) | 292,205 | 330,700 | 2,509 | ........ | 2,184,897 | 4,375,279 | ........ |
| Total | 129,572,582 | 32,158,578 | 35,524,294 | ........ | 545,412,833 | 1,425,837,190 | 340,947,203 |

| NAME OF BANK | Bal. due to other banks in Canada | Due to Banks in U.K. | Due to Banks Elsewhere | Bills Payable | Letters of Credit outstanding | Other Liabilities | Dividends Declared and unpaid | Reserve Fund | Capital Paid Up | Total Liabilities |
|---|---|---|---|---|---|---|---|---|---|---|
| | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ |
| Montreal | 1,749,854 | 7,459,684 | 3,336,315 | 150,238 | 7,128,946 | 1,721,899 | 19,660 | 38,000,000 | 36,000,000 | 743,447,445 |
| Nova Scotia | 2,488,317 | 204,218 | 1,432,783 | 253,715 | 5,944,378 | 134,044 | 361,583 | 24,000,000 | 12,000,000 | 272,979,160 |
| Toronto | 966,835 | 434,572 | 965,625 | ........ | 1,251,975 | ........ | 2,578 | 9,000,000 | 6,000,000 | 115,535,916 |
| Provinciale | 838 | ........ | 34,522 | ........ | 116,071 | 9,486 | 5,854 | 1,000,000 | 4,000,000 | 47,355,825 |
| Commerce | 1,678,565 | 972,074 | 6,614,894 | 10,177 | 14,817,796 | ........ | 15,619 | 20,000,000 | 30,000,000 | 575,832,207 |
| Royal | 496,311 | 650,165 | 10,388,480 | 301,321 | 18,555,144 | 79,780 | 34,191 | 20,000,000 | 35,000,000 | 742,310,590 |
| Dominion | 3,705,565 | 1,124,580 | 1,348,734 | 11,317 | 2,533,845 | 312,422 | 175,524 | 7,000,000 | 7,000,000 | 129,200,452 |
| Nationale | 1,131,172 | 53,613 | 317,492 | ........ | 643,762 | 145,131 | 11,051 | 5,000,000 | 7,000,000 | 125,327,344 |
| Imperial | 1,236,658 | 533,676 | 1,028,441 | ........ | 1,605,369 | ........ | 176,217 | 8,000,000 | 7,000,000 | 133,156,279 |
| Barclays (Canada) | 325,972 | 3,817,754 | 1,181,572 | 20,706 | 52,964 | ........ | ........ | 750,000 | 1,500,000 | 14,834,562 |
| Total | 13,775,087 | 15,250,336 | 26,648,858 | 747,474 | 56,650,250 | 2,402,762 | 802,286 | 132,750,000 | 145,500,000 | 2,899,979,780 |

**SUPPLEMENTARY INFORMATION**

| NAME OF BANK | Capital Authorised | Capital Subscribed | Last Dividend | *Loans to Directors and firms of which they are partners | Average Notes and deposits with Bank of Can. | Greatest amount of Notes in Circ. |
|---|---|---|---|---|---|---|
| | $ | $ | % | $ | $ | $ |
| Montreal | 50,000,000 | 36,000,000 | 8 | 1,258,786 | 59,034,897 | 31,103,522 |
| Nova Scotia | 15,000,000 | 12,000,000 | 12 | 2,594,925 | 21,941,241 | 11,394,943 |
| Toronto | 10,000,000 | 6,000,000 | 10 | 639,671 | 10,081,036 | 5,454,110 |
| Provinciale | 5,000,000 | 4,000,000 | 6 | 667,969 | 2,234,162 | 3,592,483 |
| Commerce | 50,000,000 | 30,000,000 | 8 | 4,896,220 | 49,901,917 | 26,785,598 |
| Royal | 50,000,000 | 35,000,000 | 8 | 2,095,909 | 35,032,892 | 31,282,776 |
| Dominion | 10,000,000 | 7,000,000 | 10 | 1,176,387 | 6,762,485 | 6,542,940 |
| Nationale | 10,000,000 | 7,000,000 | 8 | 594,645 | 6,653,862 | 6,788,064 |
| Imperial | 10,000,000 | 7,000,000 | 10 | 515,353 | 6,792,658 | 6,880,075 |
| Barclays (Canada) | 1,500,000 | 1,500,000 | ........ | ........ | 768,316 | 301,655 |
| Total | 211,500,000 | 145,500,000 | ........ | 14,430,864 | 199,203,466 | 130,126,166 |

* And loans for which they are guarantors

**ASSETS**

| NAME OF BANK | Gold and Subsidiary Coin Held in Canada | Gold and Subsidiary Coin Held Elsewhere | Notes of Bank of Canada | Deposits with Bank of Canada | Notes of Other Banks | Govt. and Bank Notes other than Canada | Cheques on other banks | Balances due from other banks in Canada | Due by banks in U.K. |
|---|---|---|---|---|---|---|---|---|---|
| | $ | $ | $ | $ | $ | $ | $ | $ | $ |
| Montreal* | 1,701,417 | 201,202 | 10,714,894 | 48,551,479 | 1,842,269 | 470,335 | 24,143,697 | 610 | 2,714,931 |
| Nova Scotia | 333,934 | 1,394,142 | 2,097,778 | 20,294,262 | 607,350 | 2,744,054 | 8,054,065 | ........ | 163,156 |
| Toronto | 181,090 | ........ | 956,490 | 7,183,764 | 395,010 | 44,752 | 5,430,656 | ........ | 553,808 |
| Provinciale | 179,054 | ........ | 572,068 | 1,677,364 | 296,555 | 42,671 | 1,596,574 | 1,505,369 | 41,993 |
| Commerce† | 734,635 | 282,593 | 3,589,134 | 45,917,620 | 1,288,290 | 824,946 | 19,930,347 | 24,515 | 511,428 |
| Royal‡ | 1,227,949 | 6,713,554 | 4,640,126 | 30,931,495 | 1,875,223 | 16,700,317 | 20,571,060 | 3,150 | 5,574,031 |
| Dominion | 219,017 | 639 | 1,570,568 | 6,283,869 | 505,275 | 63,387 | 6,876,999 | ........ | 251,714 |
| Nationale§ | 489,966 | 964 | 2,012,526 | 6,834,092 | 521,245 | 76,617 | 4,619,256 | 428,286 | 1,878 |
| Imperial | 355,910 | ........ | 2,152,688 | 4,623,500 | 493,920 | 54,075 | 5,198,523 | 623,183 | 372,232 |
| Barclays (Can.) | 2,171 | ........ | 78,098 | 604,702 | 10,475 | 1,219 | 403,321 | 1,630,540 | 3,074,918 |
| Total | 5,425,143 | 8,593,094 | 28,384,370 | 172,902,147 | 7,835,612 | 21,022,373 | 96,824,498 | 4,215,655 | 13,260,089 |

| NAME OF BANK | Due by banks elsewhere | Govt. sec. short term | Govt. sec. long term | Canadian municipal securities | Public sec. other than Can. | Other bonds and stocks | Call loans in Canada | Call loans elsewhere | Other current loans in Canada |
|---|---|---|---|---|---|---|---|---|---|
| | $ | $ | $ | $ | $ | $ | $ | $ | $ |
| Montreal* | 26,171,252 | 188,596,047 | 121,911,995 | 25,500,377 | 3,672,746 | 6,965,090 | 4,441,103 | 23,696,971 | 178,575,916 |
| Nova Scotia | 8,761,836 | 28,730,354 | 48,416,922 | 12,829,302 | 932,711 | 9,168,436 | 7,792,867 | 2,020,045 | 81,085,411 |
| Toronto | 2,052,123 | 8,653,657 | 30,271,714 | 5,338,069 | 36,721 | 983,328 | 3,727,613 | ........ | 40,109,250 |
| Provinciale | 154,147 | 1,279,296 | 6,492,692 | 8,949,059 | ........ | 2,806,906 | 4,492,386 | ........ | 12,913,563 |
| Commerce† | 17,508,061 | 87,728,103 | 69,146,850 | 10,762,895 | 17,959,659 | 5,691,007 | 19,375,012 | 16,749,149 | 150,868,717 |
| Royal‡ | 29,795,907 | 60,650,029 | 94,082,252 | 6,586,163 | 14,957,922 | 11,013,962 | 24,066,716 | 20,995,318 | 214,515,856 |
| Dominion | 1,706,744 | 10,504,513 | 20,270,769 | 4,674,989 | ........ | 2,643,420 | 9,190,478 | 3,989,762 | 49,445,935 |
| Nationale§ | 355,983 | 9,390,789 | 18,039,096 | 17,537,207 | 327,384 | 3,885,466 | 4,886,260 | ........ | 35,426,844 |
| Imperial | 1,307,918 | 989,478 | 28,500,169 | 5,602,226 | ........ | 124,007 | 6,311,405 | ........ | 57,555,274 |
| Barclays (Can.) | 701,271 | 1,559,014 | 3,526,738 | 193,652 | ........ | 35,075 | 953,200 | ........ | 1,536,252 |
| Total | 88,515,842 | 398,081,280 | 440,659,197 | 97,973,939 | 37,887,143 | 43,316,697 | 85,237,040 | 67,451,245 | 831,032,518 |

| NAME OF BANK | Other current loans elsewhere | Loans to provincial governments | Loans to municipalities | Non current loans | Real estate other than premises | Mortgages on real estate | Bank Premises | Deposit for note circulation | Other assets | Total assets▲ |
|---|---|---|---|---|---|---|---|---|---|---|
| | $ | $ | $ | $ | $ | $ | $ | $ | $ | $ |
| Montreal* | 5,671,275 | 1,185,687 | 39,114,169 | 3,861,135 | 670,043 | 838,818 | 14,500,000 | 1,637,307 | 463,026 | 744,942,747 |
| Nova Scotia | 13,855,584 | 645,167 | 6,454,902 | 816,095 | ........ | 103,163 | 7,228,999 | 555,861 | 2,871,868 | 273,902,660 |
| Toronto | ........ | ........ | 4,847,567 | 454,818 | ........ | 45,727 | 3,594,776 | 325,275 | ........ | 116,438,193 |
| Provinciale | ........ | ........ | 1,006,468 | 134,376 | 660,741 | 378,865 | 2,109,333 | 198,194 | 92,357 | 47,696,111 |
| Commerce† | 21,341,435 | 7,427,005 | 26,836,680 | 3,847,427 | 2,517,357 | 2,460,610 | 14,591,943 | 1,287,595 | 4,446,167 | 576,967,592 |
| Royal‡ | 114,663,377 | 2,582,606 | 10,253,513 | 4,289,472 | 3,275,595 | 785,945 | 16,272,616 | 1,647,901 | 7,491,915 | 744,718,638 |
| Dominion | 862,407 | ........ | 1,185,834 | 380,423 | 82,133 | 36,933 | 5,901,634 | 324,440 | 250,423 | 129,756,163 |
| Nationale§ | 57,345 | 329,001 | 11,104,887 | 404,677 | 1,242,894 | 393,651 | 6,067,061 | 380,506 | 335,226 | 125,792,885 |
| Imperial | ........ | 4,200,825 | 6,881,490 | 252,684 | 268,066 | 410,584 | 5,889,015 | 465,716 | 192,624 | 134,430,893 |
| Barclays (Can.) | ........ | ........ | ........ | 12,650 | ........ | ........ | 450,000 | 15,239 | ........ | 14,841,505 |
| Total | 156,451,423 | 16,370,291 | 107,185,510 | 14,453,757 | 8,716,829 | 5,454,296 | 76,605,377 | 6,838,034 | 16,143,606 | 2,909,437,377 |

▲Total assets include $52,650,250 letters of credit outstanding, as shown in liabilities.

*The business of the bank in Paris, France, and in San Francisco, U.S.A., is carried on under the name of local incorporated companies and the figures are incorporated in the above statement.—Footnote to Bank of Montreal return.

†The Canadian Bank of Commerce (California) has been incorporated under the laws of the State of California to conduct the business of the Bank in that State and the assets and liabilities of the Canadian Bank of Commerce (California) are included in the above general statement.—Footnote to Canadian Bank of Commerce return.

‡The Royal Bank of Canada (France) has been incorporated under the laws of France to conduct the business of the bank in Paris, and the assets and liabilities of the Royal Bank of Canada (France) are included in the above general statement.—Footnote to Royal Bank return.

§The assets and liabilities of the Banque Canadienne Nationale, France, same being considered a branch operating as a subsidiary of the Banque Canadienne Nationale, are included in above return.—Footnote to Banque Canadienne Nationale return.

# THE FINANCIAL POST

SECOND SECTION

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# Must We Manage Money?

## Those Who Answer Yes Now Hold the Floor—Some Managed Money Men Spurn Any Thought of Gold

Those who assert that the gold standard has disappeared weep only crocodile tears over its demise. They are ready to assert that the world has discovered something better. That something better, they think, is Managed Money. Its outstanding example is the £ sterling.

England has already adopted managed money. Whether she has done so permanently or simply pending the readoption of the international gold standard remains to be seen. Many other countries are so satisfied that Britain is managing the £ sterling well that they have linked their currencies to the £. This simply means that they are letting the Bank of England and the British Treasury manage their money for them.

Strange it may be, but 'tis true that many countries which blamed their troubles on Lombard Street influence in gold standard restoration now let the British control their destinies through control of their money. But perhaps this is because they feel that it was London's international bankers who ran the gold standard while it is Britain's statesmen who manage the £.

**"Pure Management"**

Rt. Hon. Reginald McKenna, British Banker and advocate of money management said recently:

"The quantity of money is no longer governed by the fortuitous supply of gold and the degree to which hoarding is practised by central banks and others. The quantity of money is subject now to pure management, with first regard to the needs of commerce and industry."

Chancellor of the Exchequer Chamberlain isn't worrying about the eclipse of the gold standard. He says:

"Now that sterling is free to find its own level in relation to foreign currencies, the old restrictions on our power of development are removed. There is no need for deflationary pressure to be put upon us as on the countries in the gold bloc."

The MacMillan report gave some fillip to advocates of managed money for it said:

"The monetary system of this country must be a managed system. It is not advisable, or indeed practicable, to regard our monetary system as an automatic system . . ."

The old gold standard was automatic up to a point. When exchanges got out of line—indicating price disequilibrium between countries—the gold standard operated to restore them to equilibrium again. But in maintaining exchange equilibrium it was apt to disturb internal equilibrium in different countries. Even in this it could not operate perfectly unless fiscal and central bank policies permitted. Perfect operation of the gold standard presupposed a willingness on the part of nations not to interfere with that automatic operation. Such a self-abnegating laissez-faire attitude on the part of governments never did exist in fact.

**Independence Is Sought**

Particularly in the post-war years, countries refused to be bound by the rules of the gold standard game. For a while there was much railing against the countries that refused to play the game. Now nearly every country wants independence in its monetary policies—and some even want isolationist independence. In other words, the wheel has turned a half-cycle. Just as free trade and low tariffs have given way to restricted trade and high tariffs, so money ideas have turned from an international money system to national ones.

**What Is Management?**

Managed money means many things. A deliberately deflationary policy could be managed. Even a conscious printing press inflation could be managed—until it got out of the control of the managers.

But the concept of what managed money is can be narrowed down to some points most economists would agree upon. And in this narrower definition managed money involves the following chief points:

1. Deliberate and conscious control of the supply of money in order to maintain stability of prices; or to engineer a gradual rise of prices if the starting point is an exceedingly low level.

2. The placing of emphasis upon the need of avoiding changes in the buying power or debt-paying power of the currency.

3. Giving only secondary consideration (and in the minds of extreme monetary nationalists no consideration at all) to the value of the currency in terms of other currencies. Letting foreign exchanges rise and fall in preference to letting prices at home and general domestic prosperity fall or rise.

**Part of Planning**

4. Management of money as part of a larger scheme of economic planning of the life of the whole nation.

This latter part is important. As Sir Basil Blackett, director of the Bank of England, put it in a recent article:

"The present breakdown of the international gold standard is the effect, not the cause, of certain conditions. As a monetary system it proved peculiarly well adapted to the special conditions of the 19th century, the era of laissez-faire, or rapid expansion of the population of the world, of the opening up in rapid succession of one country after another.

**End of Laissez-Faire?**

"The era of laissez-faire has given place to the era of planning. Economic nationalism—for good or ill—holds the field as is natural when a nation realizes that the employment of its people takes precedence over every other consideration.

"It may well be that international gold standard is one of the institutions that has lost its usefulness with the passing of laissez-faire and has no place in the age of planning. In any case, it is the part of wisdom to recognize that early restoration of the gold standard is out of the question and to devote our attention to perfection of the system of managed currency to which we have happily stumbled."

**Faith in Paper**

This system of managed currency "to which we have happily stumbled" is really a paper currency system. Will people have faith in paper as they had in gold? Prof. Gustav Cassel, of the University of Stockholm, says so:

"Thousands of times it has been asserted that a paper standard system was a mere theoretical construction which could not possibly work in practical life, and which would in any case suffer from a complete lack of stability. Such prophecies have now been proved mistaken. But as people are slow in changing their dogmatic views it will probably still take some time before the world clearly realizes what a great thing has been accomplished by the birth of the sterling bloc."

**Is Revolution Complete?**

It is too early to know whether the gold standard has been suspended or abandoned by the sterling bloc countries.

Sir Charles Morgan-Webb, author of "The Money Revolution," says the turn of the wheel from the international gold system to management of currencies is already complete. We have already, in his opinion, brought the international currency system into harmony with modern requirements. He pays tribute to the "magnificent achievement of Britain in devising a system of currency that is actively operating to rescue the world from despair and depression of the past decade."

He says a currency revolution, as thorough and as outstanding as the adoption of the gold standard in 1816, has taken place "under our very noses." That is, the adoption by a large group of nations of the sterling standard unlinked with gold. He hails the final abandonment of gold standard. He sees no difficulty in achieving, by management of currencies, the three forms of currency stability that are essential to commerce and industry, namely:

The stability of the internal currency.

The stability of the world wholesale price level.

The stability of the international exchanges.

**Faith in Gold**

It might be well to provide an antidote to this view at once, for there are many who do not agree.

Sir Henry Strakosch describes as the most remarkable phenomenon of the present depression "The implicit faith which people the world over have shown in gold as a safe refuge for cash resources. It is a firmly established psychological fact that people believe in gold." Sir Henry quotes an eminent banker as having once said, "If nine people out of ten believe the gold standard is the best monetary mechanism, then it is the best."

Something of the same view was expressed early this year by William Henry Moore, Canadian author and economist, in his volume "Yellow Metal." He advocated the restoration of gold as the standard of the world's monetary organization "for the faith people have in it." He said "Having failed in our attempt to replace monetary gold by something else in which people would have equal confidence, we are now not likely to succeed while the world is covered with distrust."

**International Management**

Money management is primarily a domestic affair and as such may not be so very difficult. But to be a good system it must embrace some measure of international co-operation or international management. And there is the rub.

When a group of countries associate themselves, as the countries of the sterling area have done, and link their currencies to the currency of one dominant country, then management is being practised on an international scale, though not on a world-wide scale. But countries in the sterling area have put themselves under the thumb of London, and it may be that in time they will not relish their lack of independence under the automatic gold standard.

**Not World Currency**

Anyway, the idea, occasionally presented with some timidity, that Sterlingaria should be gradually widened until the £ is the world's currency, is rejected by most economists. Says Professor T. E. Gregory, of the University of London: "If there is to be a true international agreement we must begin by abandoning once and for all the idea that a solution can be found by universal adherence to sterling."

**Stability is Important**

We quoted Mr. Chamberlain as hailing managed money. But he wants both managed money and international stability. He said recently: "It is a truism to say that for the free play of international trade it is essential to have stability in the rates of exchange. The world is very far from that stability at present.

"Unfortunately we have not yet secured the conditions under which it would be possible once more to establish and maintain a common international measure of value which commands general confidence. In the meantime, however, comparative stability has been achieved over a considerable area including . . . countries whose standards of value have . . . tended to follow the pound sterling . . ."

**World System Difficult**

Even despite the "comparative stability" of the £ sterling the problem of extending the international range of money management is not a simple one. Yet if we are to have world trade and all the profit and human happiness that can and does follow the international exchange of the bounties of nature and the products of labor, we have to have some sort of international money system. It could be entirely based upon a metallic backing. Or it could be entirely managed with no backing except confidence in the ability and resources of the managers. But management and metal are not mutually exclusive. A less rigid gold standard is a distinct possibility.

What kind of international money system could be devised to reconcile the conflicting aims of home rule in money and international exchange stability? That will be the topic of the third of these three articles on the monetary standard of the future.

# Newsprint Outlook

## No Restrictions on Imports Are Favored as Part of U. S. Policy on Trade Restoration—Survey Pictures World Scramble for Pulpwood

**From Our Own Correspondent**

MONTREAL.—Canada's ability to finance purchases in the United States is evidently in a large and increasing degree dependent upon her pulp and paper trade, according to a statement contained in a report prepared by Secretary H. A. Wallace, of the U.S. Department of Agriculture, in response to a Senate resolution calling for a survey on national pulp and paper requirements in relation to forest conservation.

Because of this condition an immediate attempt to establish national sufficiency in pulp and paper products would not be consistent with policies of the present administration at Washington for restoration of foreign trade, especially in agricultural products, the author of the survey concludes.

In considering the possible disadvantage of self-sufficiency as well as its possible advantages, the survey on American pulp and paper requirements sets forth a number of highly interesting facts and conjectures of importance to holders of bonds and stocks of Canadian pulp and paper manufacturing companies.

**Biggest Canadian Market**

The United States market is vitally important to the Canadian pulp and paper industry, especially in the case of newsprint. Of the total Canadian production of the latter product, approximately 80 per cent is exported and sold in the United States, so that any plan to make that market self-sufficient would have repercussion on the fortunes of Canadian newsprint producers.

At present the United States consumes around 11 million tons of paper annually. This requires over 12,000,000 cords of pulpwood. More than 50 per cent of these requirements are imported as paper, pulp or pulpwood, mainly from Canada, Sweden and Finland.

Imports of paper, almost wholly newsprint and nine-tenths from Canada, total nearly two million tons annually. Wood pulp imports aggregate almost two million tons, about 60 per cent being sulphite, almost 30 per cent sulphate, and the remainder mechanical.

Finally about three-quarters of a million cords of pulpwood are imported, practically all from Canada.

**Reach "Peak" in 1950**

The United States' future requirements of paper are set down in the report at 23,880,000 tons based on the estimate prepared by C. W. Boyce. This tonnage, which it is expected will be required in 1950, is distributed as follows:

| Type of Paper: | Tonnage |
|---|---|
| Newsprint | 5,080,000 |
| Book | 1,750,000 |
| Boards | 10,990,000 |
| Wrapping | 2,120,000 |
| Fine | 910,000 |
| All other | 3,030,000 |

The nation's possible future requirement for pulpwood has been estimated by Copeland in "A National Plan for American Forestry," Senate Document No. 12, without any specific limitation as to time, at 25 million cords per year. In order to meet the 1950 paper requirements, as set forth in the Boyce estimate, nearly 21 million cords of pulpwood would be needed.

In 1929 the total American domestic production of pulpwood was only 45 per cent of consumption equivalent, so that in order to meet possible future requirements production would have to be increased to almost four times its present volume in order to make the country wholly self-sufficient.

Canada's interest lies mainly in newsprint. In this connection the survey points out that in newsprint there has been a decline in the size of Sunday editions, and daily editions have tended toward a level of about 30 pages. Advertising, which vitally affects newspaper size, is assumed to have reached a peak and circulation increases are levelling off. Making due allowance for these and other indicated changes the report says, it is concluded that future rise in per capita consumption of newsprint will be on a gradual scale, if at all. Balancing all factors, the prospective annual requirement is placed at slightly more than five million tons.

Preliminary to its intensive analysis of the American pulp and paper situation, the survey makes several statements of more than passing interest to the investor in the Canadian newsprint industry.

While the American pulp and paper industry, says the statement submitted to the Senate, may, and presumably will, face severe competition in the immediate future, there seems to be no inherent reason why, with efficient management, and proper forestry it cannot compete favorably in the long run with foreign industry not only in the production of pulpwood but also in quality and price of the manufactured product.

There are indications, the report continues, that the American pulp and paper industry, especially in the South and the Pacific Northwest, will probably greatly enlarge its plant capacity in the next decade or two, regardless of government aid or encouragement.

**Canada Losing "Edge"**

Rapid depletion of the more accessible original stands of Canadian pulp timber, increasing costs which will accompany longer drives, and the elements of uncertainty which seasonal woods operations in an undeveloped region entail, will, in the opinion of the authors of the report, all tend eventually to equalize the competitive situation in favor of the United States.

**World Supply Decreasing**

In the face of further increases of world paper consumption, it appears that world timber supplies, especially of the sort most commonly used for pulp, are decreasing. The report to the Senate goes on to say:

"The coniferous forests of the North Temperate Zone, which supply the greater part of the world's timber needs, are being depleted at an alarming rate, and only a few countries still have supplies in excess of their own needs. Norway, Germany, Austria and other countries of central and southeastern Europe cannot long keep up their present rate of exportation if they are to satisfy their own requirements; in fact, the pulp industries in most of those countries now depend on wood imported from Russia to a large extent.

**Canada Using Reserves**

"Canada, Newfoundland, Sweden, Finland and Russia are the only countries which offer prospect of supplying export markets in large volume for any considerable period.

"In Canada cutting is said to be progressing at a rate far above annual growth and remaining supplies are becoming relatively inaccessible and more expensive to utilize but Boyce estimates that pulp production may perhaps be increased another four million tons annually.

**Newfoundland at Top**

"Production of pulp and paper has increased at a rapid rate in Newfoundland during the past decade, exports of newsprint paper exceeding 300,000 tons in 1934. But considering the limited area of available forest and its northern location, it is probable that cutting is now much in excess of sustained yield capacity, and that Newfoundland will not be a much larger factor in world pulp and paper trade.

**Russia as a Factor**

"In Russia with an estimated two-fifths of the world's coniferous forest area, readily accessible timber is being cut recklessly and uncontrolled fires are rendering large areas unproductive. Even here the rising wave of domestic paper use is likely to tax Russia's pulp productive capacity for many years and prevent her from contributing, except in the form of pulpwood, to world markets on a large scale. According to Boyce, development plans are apparently aimed chiefly at supplying domestic needs although forced exports of wood may continue to be an important and uncertain factor.

**Sweden and Finland**

"Both Sweden and Finland have the resources to continue or even increase substantially their exports of pulp or pulpwood. Sweden's annual cut is estimated by Ilvessalo and Jalava to be well within annual growth and it should be possible to divert a much larger proportion of the forest growth, especially pine, to pulp rather than lumber. Although Finland is thought to be overcutting her softwood growth from 15 to 20 per cent, this does not imply an eventual curtailment of production, because growth may increase as original undeveloped forests are opened up. Furthermore, according to Slesinger, pulpwood production in Finland may be increased by a reduction in the extremely high consumption of the fuel wood. Boyce has estimated that Sweden and Finland might increase their pulp exports by some three million tons each.

"The probable extent of future world timber consumption and current overcutting in the pulpwood forests of some of the principal exporting countries, notably Canada, Russia and Norway, point definitely toward restricted supplies, increasing world competition for pulpwood requirements, and higher prices for the long-term outlook.

"The present economic situation in the world timber trade indicates that our domestic market will not be under pressure indefinitely from a flood of cheap foreign pulp and paper. It is quite possible that unless provision is made for producing and manufacturing the necessary pulp at home, the United States might find itself, in the not too distant future, a competitive buyer for inadequate supplies of pulp and paper in advancing world markets."

**Can Fill Own Needs**

Can the United States become independent of foreign pulpwood and pulp supplies in order to meet possible future requirements for newsprint, by far the most pulp and paper product? The report continues:

"The nation as a whole could easily supply present and prospective requirements for newsprint paper as is convincingly shown by statistics. But expansion to replace current imports of paper and pulp for this purpose, as well as to meet increased requirements for the future, would have to come through an extensive development of the industry in the West, the South and eventually in Alaska. Production in the older regions equivalent to existing plant capacities may be maintained from local sources only by the application of adequate measures of forest management to increase growth and provide a sustained yield and by devoting the production of spruce, fir and hemlock more exclusively to newsprint paper."

**Offer Future Policy**

In summarizing the pulp and paper situation, the report recommends that the national policy be to go ahead with a forestry programme which would restore and maintain the productivity of the timberlands of the United States so as to place the country in a position to meet future requirements as may become necessary or desirable.

To give every public countenance and encouragement short of subsidy, tariffs, or other direct aid, to the development of the American pulp and paper industry; and

To place no obstacles in the way of replacement of existing imports by the domestic industry in open competition.

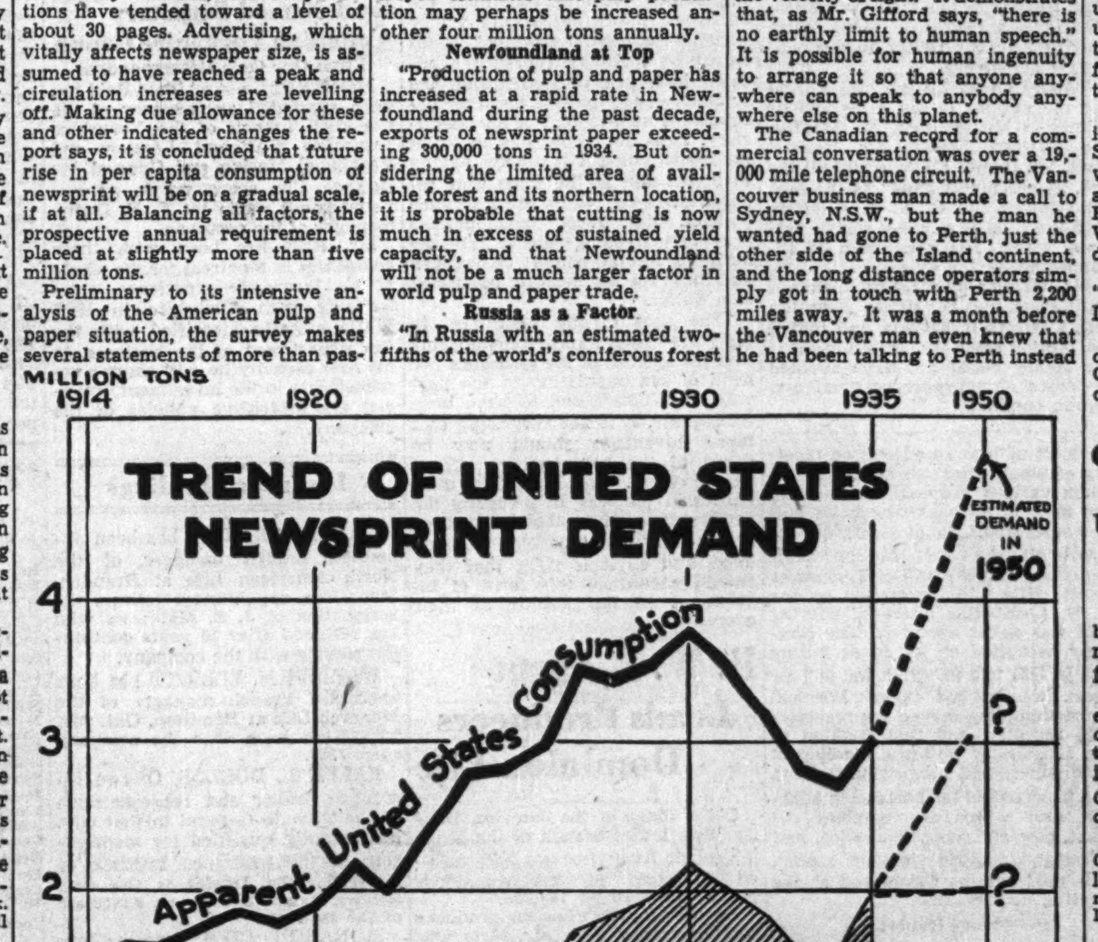
## *American Newsprint Mills Urge Minimum Import Price*

**From Our Own Correspondent**

WASHINGTON, D.C.—Efforts continue to be made by the newsprint mills of the northeastern states especially to obtain a promise from the state department that, in the event of a trade agreement with Canada, there shall be extracted from the Canadian industry an agreement to maintain export prices at a fixed level. The figure originally mentioned was $40 a ton but it is understood some of the American mills are asking that the price be put at $50.

The proposal is strongly combatted by the big American newspapers which do not own or control mills in Canada. There are indications that a voluntary agreement may be sought from the Canadian newsprint producers, both in the way of a quota, suggested at 2,000,000 tons annually, and a fixed export price.

This would be in line with the recommendations of the report to the senate by Secretary of Agriculture Henry A. Wallace, which advocates adopting a policy of encouraging gradual development of U.S. newsprint supplies but without the imposition of a tariff or subsidy. (This report is reviewed in accompanying article.) The long delayed trade agreement with Canada is still held up for approval of the president who is subjecting the voluminous proposals to closest scrutiny. Until Mr. Roosevelt gives the U.S. proposals his personal O.K. no formal negotiations with the Canadian representatives can begin.




United States experts believe that newsprint requirements of that country will reach almost five million tons by 1950. The estimate is made by C. W. Boyce in a special survey discussed in the above article.

If Canada continued to hold the same share of this market as she has in recent years this would mean an eventual market for this country of over three million tons. But representations have recently been made at Washington to have Canadian imports limited to two million tons annually. These two alternatives are shown in the above chart.

# Canada Reports Record Commercial 'Phone Talk

## Vancouver Man Talks With Western Australia and Does Not Know It — Dog Barks 7,000 Miles — Around the World and Back

Though the longest telephone talk on record occurred when Walter S. Gifford, president American Telephone & Telegraph Corp., talked over a 23,000 mile telephone and radio circuit, the record commercial conversation has been between Vancouver, B.C. and Perth, Australia. Mr. Gifford was talking for demonstration purposes to T. G. Miller, vice-president of his company, and Mr. Miller was in a near-by room. Their voices went around the world in one-quarter of a second or half the velocity of light. It demonstrates that, as Mr. Gifford says, "there is no earthly limit to human speech." It is possible for human ingenuity to arrange it so that anyone anywhere can speak to anybody anywhere else on this planet.

The Canadian record for a commercial conversation was over a 19,000 mile telephone circuit. The Vancouver business man made a call to Sydney, N.S.W., but the man he wanted had gone to Perth, just the other side of the Island continent, and the long distance operators simply got in touch with Perth 2,200 miles away. It was a month before the Vancouver man even knew that he had been talking to Perth instead of to Sydney. He got this extra 2,200 miles service without extra expense.

To go to Perth the Vancouver voice went east on the trans-Canada lines to Montreal, then over the Atlantic to London by radio, again by radio to Sydney and finally by land lines to Perth in Western Australia.

The Vancouver man had no sensation of this distance. He talked on Saturday in Vancouver and the man in Perth talked on Sunday in Australia. Yet the talk lasted five minutes and there was nothing more unusual in the actual voices than though the call had been put in from a nearby city or telephone. The talk cost $90.

Of even greater human interest is it that Mrs. Leila Traquair in Ayr, Scotland, said "Hello, Kimmie," to a wire haired fox terrier held in the arms of her daughter, Mrs. A. McFarlane, at the telephone at 3841 West 30th Ave., Vancouver, and the dog barked in answer.

"I am sure," said Mrs. Traquair, "that the dog recognized my voice; I certainly recognized his."

The bark went 7,000 miles. A lot of jubilee conversations between Canada and the United Kingdom occurred this year.

## CONFLICTING TRENDS MARK FOREIGN NEWS

### Unsettled Conditions Indicated in Most Countries

Summary of the week's foreign business news according to Commerce Reports, Washington, is as follows:

**Germany**—Higher production and employment figures for June indicate continued increase in industrial activity. It is estimated that industry has now recovered 75 per cent of the volume loss sustained during the depression.

**Italy** — Officials declare that accumulated arrears in exchange relating to commercial transactions are now being liquidated and will shortly be adjusted to date.

**Japan** — Retail prices advanced slightly in June. Trading circles continue to maintain a cautious attitude.

**China** — Cash aid to distressed business has been begun under the instructions of the Ministry of Finance. The financial situation has eased off slightly.

**Cuba**—July trade was higher than in that month last year, although down from the previous month. Construction gains are an encouraging factor but the outlook for sugar is uncertain.

**Trinidad** — Seasonal dullness in trade is emphasized by low prices and unemployment. Crop prospects appear improved.

# Paramount

## See New Deal for Big Movie Producer as It Emerges from Bankruptcy With Strong Backing

On emerging from bankruptcy, Paramount Publix changed its name to Paramount Pictures and will seek to establish under powerful auspices another period of successful production under the name of Paramount Pictures, Inc. Of the 2,000 Canadians who exchanged their Famous Players Canadian Corp. common stock for Paramount Publix common stock in 1930 many are still holders of stock in the successor organization.

Bitter conflict in courts over the bills sent in by lawyers, protective committees, accountants and somewhat sensational cross-examinations of old and new directors by the Federal Securities Exchange Commission, should not obscure to the Canadians who remain shareholders that most powerful interests have identified themselves with the company. It emerges with close relationship to such companies as Atlas Co., one of the most prominently successful United States investment trusts, Western Electric Co., and the H. A. Fortington group of companies.

**Big Britishers Buy**

John D. Herz bought substantially and is to be a director, even though Adolph Zukor is to be chairman of the board. Those two staged, it turns out, a bitter personal conflict which resulted in Herz retiring from the board in 1933 after cutting expenses of the company by $23 millions in a single year.

Not only an important United States investment trust underwrote a recent issue of shares and kept an important section for itself, but H. A. Fortington is there because British investing concerns have much at stake.

That is why one of the most interesting members of the new board, and one of the most important to Britishers and Canadians, is H. A. Fortington. He is not well known to Wall Street, but he represents important British interests. He is general attorney and financial secretary of the British Royal-Liverpool group of 12 insurance companies. Wall Street understands that he represents substantial holdings of Paramount bonds and stocks owned by this group and acquired in comparatively recent weeks. He took an active part in reorganization.

**New President From Erpi**

Even more significant of the possibilities of the new era for Paramount is the choice of John E. Otterson as general manager at this time. Mr. Otterson is an executive with an outstanding record of accomplishment already, but it has been as industrialist, engineer and business executive, and he is a new sort of executive for a moving picture company. He is a graduate of Annapolis U. S. Naval Academy and the Massachusetts Institute of Technology. He served in the United States navy for 15 years to 1915. For the next six years he was with the Winchester Repeating Arms Co. and became president. He then became president of Winchester Simmons Co.

In 1924 he began the experience which led to his present position. He became associated with International Western Electric Co., of which he was general commercial manager, when three years later he was made a director and vice-president of Electric Research Products. He was elevated to the presidency of Erpi in 1928 when the film industry entered the sound era. Mr. Otterson also has been president and director of most of the international subsidiaries of Western Electric. He is a director of many other companies and connected with a number of prominent public bodies.

**Interlocking Directorates Banned**

In view of the $100 millions suit of General Talking Pictures Corp. and Duovac Radio Corp. against an alleged trust by Elexe Electrical Research Products, Western Electric Co. and American Telephone & Telegraph Co., it may be added that Mr. Otterson has withdrawn from his old directorates. That would be necessary in any case as Washington has taken a steely stand against interlocking directorates or anything that looks like it. It has even asked searching questions of John D. Herz and others as to their reasons for buying into new securities of Paramount Pictures and of being a director as well.

Paramount is still in the period when the company has to be both careful and progressive. New ideas as to film production, color processes and higher type of entertainment have to be assessed. Experiments have to be made along novel lines and the chance of large loss will often have to be taken in the hope of the occasional compensating large success.

Recent experience shows that the company is making a profit. Court cases still overhang it from unsatisfied creditors, but it is stepping out in a way which indicates that the new company is determined to obtain and maintain, if possible, its old position of moving picture supremacy.

**Progressive and Cautious**

One leading executive of Famous Players Canadian Corporation, when asked his impression of the officials of Paramount, said: "Mr. Otterson impresses me as a man who is going to step very carefully. He is a man who knows just where he is going or he won't go. Whatever progress is made will be of a character that cannot easily be retarded.

"With all due respect to the success attained by the previous administration, it was administering a company in bankruptcy and was not as acceptable to new ideas as a company is under its own management. A new and brighter type of screen entertainment is being sought by the new general manager and other officers. At present Mr. Otterson is going carefully into all the controversies that have risen and are bound to rise in this industry between Hollywood and New York. When he starts, I may repeat, he will be going somewhere.

"The company still has the advantage of the presence on the board of Adolph Zukor as chairman of the board. He will play an important part and should do better for the company than he did in the boom time before the depression. He will devote his time to the selection of subjects. He will decide upon the stories and plays that will be played by the company. This is the first and most important step in the business. Then comes the reproducing of that material. Different from before the depression he will be able to concentrate all his experience on that one phase of the business."

# Sales Tax Forges Ahead

## Montreal's New Revenue Producer Meets With Criticism But Public Taking to Levy

**From Our Own Correspondent**

MONTREAL.—Montrealers have had four months of the sales tax, and while city officials are reticent as to the success of the new medium of raising revenue, it is believed that by the end of the civic financial year—next May—the expected $3 millions will be raised.

The gross tax of two per cent on all sales in the Greater Montreal area has been taken with good grace by the buying public. At times it is admittedly a nuisance in that the pockets get weighed down with copper coins by the end of the day, but the citizens feel that this form of "extortion" rests equitably upon all and are therefore content to pay. Further is the fact that the city must secure $3 millions of additional revenue and if it does not come in the form of sales tax, some other method will be tried.

**Collecting Tax Difficult**

While the buying public has taken kindly to the tax, the merchants continue to complain about the difficulty in complying with the by-law. Under its terms the merchant is responsible for collecting the tax on all sales, except necessities of life (mainly foodstuffs). Once a month he must report the amount of his tax sales and pay to the city director of finance the two per cent tax less five per cent commission for collections. The latter is not considered as sufficient compensation for the labor and time involved in collecting the tax.

**Want Sales Stamp**

The Board of Trade, Chambre de Commerce and other trade bodies have held a number of meetings to discuss the situation. While there is little complaint about the principle of the tax, it is strongly suggested that some means be devised to lighten the burden of the merchant. Sales tax stamps have been suggested most often as the simplest way of collecting the tax; to date the city hall has shown little sympathy for this idea.

**Enforce the Regulations**

Many of the merchants have disregarded the obligations imposed by the by-law. [illegible] to check up on all merchants to see that they are upholding the by-law. The result has been the issuing of warrants against some 200 merchants who have failed to collect the tax. They have been summarily convicted and fined a nominal sum.

**Change Buying Habits**

Merchants have been complaining also about the change in buying habits brought about by the sales tax. No tax is payable on all articles costing 10 cents or less. This has created an abnormal demand for goods in small packages, especially in the case of cigarettes, candies, ice cream, etc. This has meant a great deal more work for the merchant to secure his normal volume of business, without compensation in the form of larger gross profits.

Some manufacturers have endeavored to help out matters by reducing the retail price of their product by a cent or two, so that with the payment of the tax the purchaser will not be paying more than formerly. This has been only partially successful, many preferring to continue buying in small lots.

**Politics Enter Picture**

Political capital has been made out of the new sales tax. Mayor Hervé Ferland, of Verdun—a city in the greater Montreal area—who favors the tax in principle, but thinks the tax-exempt purchase should be raised from 10 cents to a dollar and the list of necessities extended claims the tax is ultra vires because it is an indirect levy and has promised to take the matter to the Privy Council for a decision.

As far as the majority of Montrealers are concerned, they are not greatly interested in the Verdun mayor's present or future plans. There is more sympathy with the merchant and it is possible that after the tax has been in effect for a few more months and the administrative machinery functioning more smoothly, something will be done to make it easier for the merchant to collect the levy.

# B. C. PAPER MILLS NOT IN MARKET FOR GOV. CONTROL

## Aside from Rising Costs, Not Worried — New Plants Mooted

**From Our Own Correspondent**

VANCOUVER.—While the newsprint industry in British Columbia is not without its problems, there seems to be small likelihood of the Federal Natural Products Marketing Act being applied. In fact, should the provincial government show any inclination to take the required step to implement such legislation in this province, it would be opposed by the mill operators.

The paper mills are finding it increasingly difficult to meet the steadily rising cost of production without compensating increase in price for their product. This is not the season of the year when prices are fixed, but there is a feeling among coast newsprint men that something will have to be done when the contracts are re-opened in the fall.

**No Other Problem**

Apart from this question of price no serious problems confront the newsprint industry at this time. Conditions applying to the industry in Quebec and Ontario in respect to markets, transportation facilities and costs are very different from those prevailing here.

In B. C. all the mills are on tidewater, are able to ship every month of the year by water and depend almost exclusively on foreign sales. The mills control their own supply of raw materials and are not subject to the ruinous competition which has impeded several mills in the east.

**Have Prospered**

Comparatively speaking, the B. C. mills have prospered during the last few years and, while prices have been so low as to preclude very profitable operation, there has been sufficient business offering to keep the machines working 100 per cent of capacity. Powell River Company and Crown Zellerbach Corporation, controlling Pacific Mills, Ltd., at Ocean Falls, which between them account for all the newsprint production in British Columbia, are among the few Canadian newsprint concerns that have not gone through some form of receivership.

There is strong likelihood that at least two new organizations will enter the field within the coming year.

Imposition of the 50 per cent surtax on imports has eliminated Japan as a buyer of B. C. pulp temporarily; China appears to be out of the picture indefinitely, and prevailing pulp prices offer small chance of profit. Working on the assumption that the tide has turned and that the early future holds promise of a profitable market, however, two groups are now laying their plans for putting mills in operation—one is at Prince Rupert and another at Port Mellon, about 30 miles north of Vancouver on Howe Sound.

The Port Mellon enterprise will be dealt with at an adjourned meeting of bondholders on September 12 when various proposals for putting the mill on an operating basis will be considered. About $1,500,000 was spent on the Port Mellon kraft paper and lumber mill of Vancouver Kraft Mills, Ltd., controlled by the F. W. Leadbetter interests, but the mill was never operated. The company defaulted on its bonds falling due in 1931 and an extension of four years was agreed upon. National Trust Company moved for receivership recently, and this resulted in Mr. Leadbetter calling a meeting of bondholders and submission to them of a programme for borrowing $400,000 with which to complete the plant, pay off taxes, insurance, and so on and provide working capital. This mill will be considered at the meeting next month.

**Prince Rupert**

Meanwhile the Prince Rupert project appears to be shaping up pretty definitely. F. L. Buckley, who has been working for years for a pulp mill to handle pulpwood from extensive holdings on the Queen Charlotte Islands and in the Skeena Valley, announces that the mill will have a capacity of 250 tons of bleached sulphite pulp daily; that an investment of about $5,000,000 is involved; that construction will probably commence this fall. Power will be obtained from Northern B. C. Power Company, augmented by what the company may produce itself.

## New Books

**THE TRAGEDY OF HENRY THORNTON. By D'Arcy Marsh. Published by the Macmillan Company of Canada, Toronto, at $2.50.**

Sir Henry Thornton's life ended in tragedy, but just what sort of tragedy it was may be a subject for differences of opinion. Certainly the late C. N. R. chieftain rose to heights scaled by few men: successful railway operator in the United States, major-general in the British army, intimate adviser of the High Command, head of one of Britain's four great railways, and then chief of the world's largest railway system. This provided honor and opportunity and responsibility and publicity enough for any one man, and Sir Henry enjoyed them all to the full.

But there was always tragedy ahead. Sir Henry's weaknesses were as great as his strengths; his love of the limelight, his exhibitionism, his personal extravagances, his joy in playing politics, his physique-wasting habits, his generosity with other people's (as well as his own) money.

SIR HENRY THORNTON

Such weaknesses brought him to his doom. He capped his career with personal bankruptcy, complete public distrust and the revelation of consummate inefficiency and petty graft in his work.

The story is told by Mr. Marsh in Sunday newspaper journalese; an over-romanticized story of high politics and low living. There is some new material, including personal correspondence of Sir Henry himself although not enough to warrant this biography. It is a volume to revive old controversies and arouse new ones; a curiously two-sided story, for Mr. Marsh, through most of his book, does not seem to know whether to blame Sir Henry for the final tragedy or to attach the responsibility to a predatory cabal which had to ruin Sir Henry to discredit public ownership.

Finally he writes the major lines for the villains of the piece and he brings in Mr. Bennett, Dr. Manion, Sir Edward Beatty, Sir Herbert Holt, Sir Joseph Flavelle and all the "St. James Street gang" as the men who tossed the C. N. R. chieftain into the mud to achieve selfish personal ends. His conclusion is ill-supported by the evidence.

Mr. Marsh's own record makes it quite clear that Sir Henry Thornton was a failure in Canada, and that if retribution came it was nothing that Sir Henry could not have avoided by more circumspect personal and public conduct.

# Life Insurance News

## BEST YEAR YET FOR LIFE FIRMS IN BRITISH ISLES

### New Business Reached New High Point in U. K.

### CANADA FIRMS ACTIVE

### Seven Canadian Companies Now Operate in Great Britain — Annual Volume Over $50 Million

Encouraging reports by leading Canadian life companies operating in Great Britain as to sales and prospects for life insurance in that country are confirmed by a special article in the London Times which shows that last year, offices in that territory showed a larger volume of new assurance and the greatest amount of new business in the long history of these companies.

"The results recorded by the offices," says the Times, "show a greater appreciation by the public of the real value of life insurance for which there has continued to be an excellent case."

**Seven Canadian Companies**

Canadian companies are steadily expanding their stake in the British Isles. At the present time there are six Canadian companies operating there, one of which (Crown Life) has just recently entered. Blue book figures show Canadian companies are placing over $60 millions of business in that territory each year, which represents between 70 and 80 per cent of all life business placed by "colonial" companies in the United Kingdom. Back in 1922, Canadian firms were writing only 60 per cent of the amount written by firms outside the U. K. By 1931 this ratio had risen to as high as 83 per cent.

Similarly in 1922 the total of business written by Canadian companies in proportion to that written by all companies in Great Britain was but 3 per cent. Ten years later Canadian companies had increased that ratio to 8 per cent.

**Argument Now Strengthened**

"Whether industry is active or quiet," says the Times, "and whether money is cheap or dear, effective arguments can always be advanced in support of life assurance. Of late the usual reasons for this form of investment, which is essentially a provision for the uncertainties of life, have been strengthened by the difficulties that the average individual has encountered in otherwise investing his savings with security and on terms which he regards as giving an adequate return.

"With market rates of interest so low it has been natural for investors to turn to offices which, they see, have been able to earn net rates of interest substantially higher than the gross rates which could be obtained on new investments in stock exchange securities of gilt-edged types. It has also been possible to adduce many examples of the results of life assurance policies giving returns which, represented as rates of interest on the sums invested in premiums, have compared very favorably with the yields on other first class securities."

**New Uses Found**

Stress is laid on the fact that while the life companies are still able to show that life insurance is a good investment judged by ordinary standards, they have been active in devising schemes to which it may be usefully applied. Special mention is made of the growth of "settlement options" as they are called in this country whereby the proceeds of a policy are paid in the form of income rather than principal payment.

Mention is also made of the success of the family income policy, and of the increasing popularity of life insurance used in conjunction with the purchase of a house.

**Mutually Profitable**

This latter is described as "a plan which seems thoroughly to the advantage of both the borrower and the lender." Under this plan the borrower takes out a life policy (usually of an endowment type) which on maturity repays the advance in respect of his housing loan or mortgage so that the property becomes his own or that of his beneficiary. Thus the lender has an outlet for funds which it is always having to invest and at the same time secures a market for its life insurance policies. Other recent developments are the increasing sale of schemes designed for the benefit of children and those for the meeting of succession duties.

"The uses of life assurance, in fact, are many, and, remembering that the amount of the assurance per head of the population in the past was often considered to have been inadequate, it is not surprising that more advantage should now be taken of the opportunities offered by the offices. They have their difficulties in the way of investing the funds entrusted to them, but they are in business to grant life assurance, and so it is right that they should encourage this form of investment to the utmost of their power."

## B. W. I. Agent Leads Producers Dominion Life

Lister Mair, of the Jamaica, British West Indies branch of the Dominion Life Assurance has been elected president of the company's production club for 1935-36.

As the company's leading producer for the agency year, Mr. Mair will head the delegation of underwriters who will meet on August 27 in Minaki.

Vice-presidencies of the club go to F. L. Mitchell, of British Columbia, who led the company's western production club in new business during the past year. Eastern vice-president is Earl L. Putnam, of the head office. This is Mr. Putman's third year in this office. He has been a member of the Hilliard Club each year since his appointment five years ago.

The agency convention this year will be attended by 70 leading producers as well as managers and head office officials.

## Crown Life Ins. Co. May Modify Rates

Crown Life Insurance Co. has under consideration some changes in its participating and non-par rates toward the end of the year, The Financial Post understands. If carried into effect this would involve a small increase in non-par rates and a modification of participating schedules.

During the first six months of 1935 the company showed a small increase in new business as compared with the same period a year ago. This gain is due primarily to an improvement in domestic business.

For over three consecutive years now the company has shown an increase in new business issued.

## Confederation New Business Up 12 Per Cent

A gain of almost 12 per cent in new business written and paid for in the first seven months of 1935 is reported by Confederation Life Association. New business to the end of July amounts to $27.7 millions compared with $25.3 millions in the same period a year ago.

Total business in force is higher by 2.6 per cent at $372.5 millions.

Another feature of the company's record for this year is a substantial increase in provisional memberships in the company's production club. The Macdonald Club reports 75 provisional members to the end of July compared with only 43 a year ago—a new high record. The Confederation Club shows an increase of 10 to 117. Winners of the company's "application - a - week" prizes have doubled this year compared with 1934.

In July the company reports new business of $3,977,800 an increase of 3.5 per cent over July, 1934.

Total payments to policyholders by the company in the first six months of the year have been $5.4 millions of which $3.9 millions have been paid to living policyholders and $1.5 millions to beneficiaries.

## TRAVELERS ANNOUNCE SIX-MONTH LEADERS

### Best Canadian Producers in Life and Accident Business

Travelers Life Insurance Co. reports the fifteen leading producers in new life premiums paid in Canada, from Jan. 1 to June 29, are as follows:

Perdue, J. A., Vancouver.
Brown, Leon A., Winnipeg.
Henry, Norman F., Toronto.
VanSomeron, A. W., Toronto.
Webster, John L., Toronto.
Whitney, F. H., Winnipeg.
Ptolemy, Robt. M., Toronto.
Ogilvy, Laurie C., Montreal.
Hunter, Fred C., Toronto.
Leishman, Keith, Montreal.
Allison, A. N., Toronto.
Williams, Alan V. A., Montreal.
Freeman, E. S., Halifax.
Leighton, R. P., Winnipeg.
Stoddart, Thos. J., Vancouver.

The fifteen leading producers in new Accident premiums paid in Canada for the same period are:

Freeman, Eugene S., Halifax.
Morrison, Norman, Montreal.
Dietsche, Richard W., Montreal.
Sivers, N.S., Toronto.
Lachance, Joseph H., Montreal.
Barber, W. M., Toronto.
Webling, W. H., Toronto.
Paiement, Patrick C., Montreal.
Martel, Roger, Montreal.
MacKay, Welsford D., Halifax.
Ward, William, Winnipeg.
Cowan, V. C., Vancouver.
Booth, Leonard T., Montreal.
Cowan, E. H., Vancouver.
Bamford, John L., Vancouver.

## Reid Named Secretary Canadian Yorkshire Group

**From Our Own Correspondent**

MONTREAL.—Archibald Reid has been appointed as secretary of the Canadian branch of the Yorkshire Insurance Co., and London and Provincial Marine and General Insurance Co., according to an announcement made by F. E. Dufty, manager of the company.

Mr. Reid has been with these companies in Montreal for the whole of his insurance experience, commencing with Yorkshire in 1909. While hitherto identified with the fire department of the business, in his new capacity he will assume responsibility in the investment, financial and executive policies of the company.

## Insurance Inklings

M. R. MACKENZIE has been appointed branch manager of the North American Life at Brandon, Man. The appointment follows the resignation of J. E. Matthews who has resigned after 35 years continuous service with the company.

WARREN M. ELLIOTT has been appointed branch manager of the Monarch Life at Hamilton, Ont. Mr. Elliott has been with the company since 1923.

RALPH L. DUCLOS, Ottawa insurance broker and representative of the Toronto General in that city, has recently qualified for membership in the Insurance Institute of America. Mr. Duclos is the first Ottawa man to become an Associate of the Institute.

MONARCH LIFE reports July business was 25 per cent higher than that produced in July a year ago. The total for the month was ahead of any other month this year, with the exception of May.

A. W. JENNINGS has been appointed manager of the casualty department of Andrew Hamilton, Ltd., adjusters and appraisers, Ottawa. Mr. Jennings was formerly with Canadian General Insurance Co.

**Preferred Accident Insurance Co.** of New York have ceased to transact business in Canada and will apply to Ottawa for release of its deposit after November 1.

## RATES BEING CUT IN BONDING FIELD BY LLOYDS GROUP

### Fidelity and Surety Lines Feel Effect of New Competition

A rate war is threatened in the fidelity and surety insurance field, precipitated by the action of a casualty underwriting group of Lloyd's of London in offering generous rate reductions from tariff schedules.

Largest policies in guarantee insurance field in Canada are issued to investment dealers and stock brokers, the majority of the larger concerns being covered by blanket policies. These blanket policies, designed for investment concerns, cover both theft and hold-up and fidelity of employees.

**Thirty Per Cent Cut**

The extent of the rate reductions being offered to brokers can be judged from the fact that one Toronto concern was offered a cut of 30 per cent in an annual premium of $7,500 by a Lloyd's group.

This intensive competition is being met by the tariff companies, The Financial Post understands. In the case referred to above, the investment house took up the matter of rates with the tariff company handling their business and insisted on a rate revision. After considerable argument back and forth the tariff association agreed to the change in rate, it is stated.

**Use U. S. Schedule**

The question of rates for fidelity and hold-up insurance in Canada has always been a controversial one. Insufficent experience of this type of risk in Canada forces the Canadian Casualty Underwriters Association to use the rates in force in the United States, making a small credit adjustment in the belief that the hazard in Canada is not as great as in the Republic. Such being the case, it is argued by the tariff association that the action of Lloyd's in slashing existing schedules is not sound insurance practice and amounts to little better than a gamble.

So far as can be ascertained, only the larger investment houses have been approached by Lloyd's. Due to the fact that business between bond dealers and insurance companies is reciprocal, some of those firms which have been approached have not considered the switch.

Leading companies in the fidelity and surety fields (broker's blanket coverage bonds are a fusion of risks in both these groups) include the following: U. S. Fidelity and Guarantee; Employers' Liability; Guarantee Co. of North America; Canadian General Insurance Co.; Canadian Indemnity Co.; Canadian Surety Co.; Dominion of Canada General and National Surety.

In addition, smaller amounts are written by most of the leading casualty insurance companies doing business in Canada.

# Fire and Casualty News

## To Urge Uniform Policies For Accident Insurance

A report suggesting changes in the legislation governing accident and sickness insurance, is to be presented at the 18th annual conference of the Association of Provincial Superintendents of Insurance, to be held in Winnipeg early in September, The Financial Post is informed. The report is to be presented by Charles Heath, superintendent of insurance for Manitoba.

The matter of greater uniformity in sickness and accident policies is one which has been under consideration for some time, and it is felt that there is great need for new legislation since existing regulations have been in force for 12 years. The success which uniform policies in the automobile insurance has met also suggests that scrutiny of accident and sickness legislation would be beneficial.

While attempts have been made by the companies to develop standard forms, little progress has been made. Some time ago a committee was appointed by the Canadian Casualty Underwriters' Association to study the question, but no definite conclusion has been reached and the committee has been inactive for over a year. The Financial Post is informed that the main stumbling block in the way of action by the companies themselves has been the question of commissions to be paid.

It is unlikely that any action will be taken to amend existing legislation along the line of recommendations to be made by Mr. Heath in his report for at least a year. Considerable time will be required to work out the details of any suggested changes.

## Insurance Problems

Insurance questions of general interest submitted by subscribers of The Financial Post will be answered in this column. Other enquiries will be answered by mail. A three-cent stamp should be enclosed to cover a direct reply.

### Ministers Union

Will you give me some information concerning Ministers Casualty Union of Minneapolis, particularly as to its financial strength, its record over the past eight or ten years, and also the protection offered to the Canadian policyholders?

I understand this company underwrites ministers only for life and casualty insurance without the use of agents.

The Ministers Life and Casualty Union was incorporated in 1900 with head office at Minneapolis, Minn. and as you suggest, writes life accident and sick benefit insurance for clergymen only.

For many years policies were written in Canada by mail but during 1933 as a result of correspondence between the company and the federal insurance department, an undertaking was received from the company by Ottawa that no new insurance would be effected in Canada pending receipt by the company of a Canadian certificate of registry which had then been applied for.

We were recently informed by the federal insurance department at Ottawa that this certificate had been granted and a recent issue of the Canada Gazette shows the company to have on deposit at Ottawa for the protection of Canadian policyholders the sum of $63,600.

We have been in touch with M. W. Hobart, secretary of the company at Minneapolis as to future plans for expansion of the company in Canada but we are informed that no information will be available until such time as a license has been received to commence operations in Ontario. The company states it is applying for such a license.

No information has been made available to us regarding the financial standing of the company nor the type of policies it issues. The company's representative in Canada at the present time is A. T. Whitehead, a lawyer of Toronto. No office has been opened in Toronto as yet.

## British Fire Companies Have Low Expense Ratio

### Official Figures Show British Companies to be in Better Position Than Canadian in Regard to Expense, Commission and Claims Ratios

A discrepancy of three per cent exists between the expense ratio of leading British companies and the average expense ratio of Canadian companies, a survey by The Financial Post shows.

British experience, based on a computation by the Economist in its annual insurance supplement giving statistics of the operations of 23 British companies, which do business in various parts of the world and derive an important part of their premium income from the United States and Canada, shows an average expense ratio of 27 per cent for these companies on their world business. The average expense ratio of Canadian companies was 30 per cent.

The average expense ratio of British companies on their Canadian business is even lower than the average world ratio of these 23 companies. Recent figures issued by the Federal Department of Insurance show the expense ratio of British companies on their Canadian business in 1934 was 23.6 per cent. Foreign companies can also operate in the Dominion at less expense than Canadian companies, the average expense ratio of this group being 20 per cent.

**Commission Ratio**

As regards commission rates British companies are also on a better basis than their Canadian rivals. The average commission ratio of the 23 British companies reviewed by The Economist on all business written by them in 1934 was only 20.1 per cent. The ratio of commissions paid to premiums written of Canadian companies was 26 per cent.

The rate of commission paid by individual companies varies considerably. As will be seen from the tabulation below, the Alliance Assurance, which does no business in the United States and is known to possess a select class of business in Great Britain, has a commission ratio of 14.6 per cent. At the other end of the scale the Century, which has the smallest premium income of the group, expended in commission last year 27.9 per cent of its premium income. In its Canadian business Alliance had a commission ratio of 24.38 per cent and Century 26.04 per cent.

**Premiums Higher**

The aggregate premiums written by these 23 companies, after showing a steady diminution over a period of years, recorded an advance in 1934. In only five cases was a decline registered. Total premiums written by these companies totalled £44,841,534 in 1934 as against £43,841,534 in the previous year.

Profits were satisfactory, the average profit being 10.2 per cent of premium income. General Accident holds first place with a profit ratio of 23 per cent. Alliance Assurance is second with 19.8 per cent. Each of the 23 companies made a profit which, except in five cases, exceeded the corresponding figure for 1933. In the case of Guardian Assurance the improvement is especially marked, profits increasing from 1.5 per cent of premium income in 1933 to 17.1 per cent in 1934.

The ranking of the 23 British companies, the operations of which are reviewed by The Economist, is given below on the basis of premium income. These figures include all fire business written by these companies.

(Fire Insurance Experience of Leading British Companies, 1934)

| Company: | | Premiums £ | Profits £ | Claim Ratio % | Commission Ratio % | Expense Ratio % |
|---|---|---|---|---|---|---|
| Royal Insurance | | 5,587,311 | 594,920 | 42.6 | 20.4 | 26.0 |
| Commercial Union | | 5,374,820 | 442,305 | 41.9 | 17.9 | 32.3 |
| Liverp'l & London & Globe | | 3,960,976 | 414,695 | 41.2 | 21.7 | 26.2 |
| North British & Mercantile | | 3,366,132 | 457,904 | 39.4 | 20.6 | 25.6 |
| London & Lancashire | | 2,842,102 | 387,950 | 38.2 | 18.2 | 28.9 |
| Phoenix Assurance | | 2,781,907 | 204,106 | 44.2 | 22.6 | 24.3 |
| Sun Insurance | | 2,337,813 | 208,295 | 42.3 | 17.0 | 30.3 |
| London Assurance | | 2,074,686 | 146,678 | 46.1 | 23.9 | 22.5 |
| Alliance Assurance | | 2,056,601 | 408,144 | 34.5 | 14.6 | 30.4 |
| Northern Assurance | | 1,947,699 | 132,335 | 44.0 | 21.2 | 27.9 |
| Norwich Union | | 1,730,593 | 104,432 | 47.1 | 19.9 | 28.2 |
| Atlas Assurance | | 1,775,801 | 165,962 | 43.7 | 21.8 | 24.8 |
| Royal Exchange | | 1,432,296 | 142,408 | 43.6 | 21.9 | 25.4 |
| Guardian Assurance | | 1,109,933 | 189,332 | 42.0 | 19.5 | 27.4 |
| Scottish Union & National | | 1,011,942 | 88,937 | 43.1 | 19.1 | 26.4 |
| Prudential Assurance | | 929,462 | 75,585 | 47.5 | 20.7 | 22.8 |
| Yorkshire Insurance | | 916,740 | 93,526 | 46.5 | 16.4 | 26.4 |
| Eagle Star & British Dom. | | 812,660 | 45,825 | 43.3 | 22.2 | 28.7 |
| Caledonian Insurance | | 754,282 | 40,295 | 47.8 | 23.9 | 22.2 |
| General Accident | | 593,066 | 126,456 | 33.7 | 19.8 | 22.3 |
| Employers' Liability | | 339,583 | 24,455 | 45.7 | 20.2 | 29.5 |
| Century Insurance | | 310,963 | 10,293 | 42.5 | 27.9 | 21.7 |
| Motor Union | | 182,414 | 14,159 | 51.0 | 18.5 | 21.9 |
| Total & averages | 1934 | 44,229,782 | 4,528,997 | 42.3 | 20.1 | 27.1 |
| | 1933 | 43,841,534 | 3,767,467 | 46.3 | 19.8 | 27.6 |

## No Hold-up Overtures By Investment Dealers

Officials of the Canadian Casualty Underwriters' Association inform The Financial Post there have been no overtures on the part of the Investment Dealers' Association respecting hold-up insurance rates as reported in last week's issue.

This business is written by "tariff" companies on a flat rate with fixed percentage reductions from the standard rate for investment houses and for other considerations such as the type of vehicle used, the type of securities handled, number of guards and so forth.


FIDELITY Insurance Company of Canada TORONTO

●Do not put off appointing a Trust Company your Executor on the ground of expense.

Enquiry will satisfy you that the fees allowed Trust Companies by the Courts are no larger than those allowed to private Executors, and that the services provided in the administration of Estates are well worth their cost.

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ASSETS UNDER ADMINISTRATION EXCEED $736,000,000

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J. H. Riddel, Manager
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OVER HALF A CENTURY OF "SERVICE WITH SECURITY"
PORTAGE POLICIES
give full protection with absolute security and prompt settlement of claims
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The PORTAGE LA PRAIRIE Mutual Insurance Company
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FIRE AUTOMOBILE
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ALL POLICIES NON-ASSESSABLE PAYING DIVIDENDS RANGING FROM 20% TO 30% ON RENEWALS

# Your Investments

***What We Do:***

1. Give information on Canadian securities to enquiring subscribers by early mail.
2. Publish anonymously on this page letters of general interest.
3. Supply an enquiry service of fact rather than of opinion.

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1. Answer enquiries of non-subscribers.
2. Answer enquiries on United States or foreign securities.
3. Reply by telephone or telegraph to enquiries.
4. Select lists of securities; express opinions; forecast the future.

Three-cent stamp must be enclosed. Write mining and insurance enquiries on separate sheets. Address the editor, The Financial Post, 481 University Ave., Toronto.

## Midland Loan Debentures

Is Midland Loan and Savings Co., Port Hope, a safe concern in which to buy debentures? What security is behind its debentures and what interest rate is being paid on present issues? How do this company's debentures differ from investment certificates of trust companies and from debentures of larger loan companies?

Midland Loan & Savings Co. is a long-established Ontario loan company incorporated in 1872. A loan company unlike a trust company does not segregate certain specific assets as securing its deposits and certificates. All the company's net assets are considered security for deposit and debenture liabilities. At the end of 1934, the company's deposits and debentures totalled $2,405,000. Assets included $617,000 liquid assets, $2,694,000 of mortgages, and about $20,000 of other net assets. This gives a margin of security for debentures and deposits of about 140 per cent of liabilities to the depositors. The company is at present paying 3¾ per cent for renewals of outstanding debentures. On new debentures, it is paying 3½ per cent for five-year money, 3¼ per cent for three- or four-year money. 3 per cent for one- or two-year certificates. For amounts greater than $5,000 a special rate would have to be set.

There is not much essential difference between the type of certificate issued by Midland Loan and by larger mortgage loan companies. Their deposit debentures are secured chiefly by first mortgages on selected real estate.

## Price of Bank Shares

I notice that shares of the Bank of Commerce have declined recently while one or two other banks' shares have recovered slightly. Can you explain this? Is there any special reason why bank shares should be declining?

The trend of prices for bank stocks has been steadily downward this year. In view of the firmness of prices for other common shares, this appears to be due to special influences bearing on bank earnings.

The movement of shares of The Canadian Bank of Commerce which you mention does not appear to have any special significance. Short-term changes in prices for shares of individual banks, as compared with others, may only reflect a transitory influence. For instance, a little liquidation of one bank's shares might temporarily drive them out of line with other bank stocks. Over the longer term, of course, price changes reflect the trend of individual bank earnings and dividends. For this reason, the broad downward trend of bank shares this year indicates the difficulties which banks have encountered in sustaining earnings.

Apparently the trend of earnings of most of the Canadian banks has been downward since the close of its last fiscal year on Nov. 30, 1934. This is indicated in the changes in major revenue and expense items tabulated below for the Canadian Bank of Commerce:

| | June 29 1935 $000's | Nov. 30 1934 $000's | Change $000's |
|---|---|---|---|
| Investments .. | 191,288 | 163,498 | +27,790 |
| Loans ........ | 252,098 | 277,890 | —25,792 |
| Deposits ..... | 474,943 | 470,472 | — 4,471 |

Investments are less profitable to the bank than loans. Hence the rise of investments and the diminishing volume of total loans tend to reduce the bank's gross income. Moreover, interest rates charged on loans have been reduced in the last two years. The decline of deposits is, of course, of minor amount. It is noteworthy, however, that notice (savings) deposits have not declined at all. This being the chief source of interest charges on deposits, there has been no appreciable reduction in the volume of deposits on which interest must be paid. The bank has, however, saved substantially by the reduction of the savings rate to two per cent and by reduction and elimination of interest charges on current balances.

The savings in interest charges may have been sufficient to offset the decline of income. As yet, however, there has been no indication that the increases of investments are halting and that the tendency for gross income to diminish has ceased. Demand for loans, however, may soon revive. Also, cessation of rate-cuts on loans and on deposits would serve to stabilize bank earnings after several years of decline.

Before the bank's year ends on Nov. 30, it is possible that some recovery of earnings may be experienced. It does not seem probable, however, that earnings will be much greater than the $8.88 per share reported after all deductions last year. They may be less. There is no indication that the dividend of $8 a share will not be earned.

The bank recently received a profit of over $3.5 millions on gold turned over to the Bank of Canada. This windfall, of course, may never be repeated. It does not alter the fundamental problem of earnings. These will revive only when loans tend to increase, if and when business is able and willing to borrow more freely.

## Canada Cement Common

I have $3,000 and am thinking of buying Canada Cement common stock. What is your opinion?

Canada Cement Co. has outstanding before the 600,000 no par value common shares, $20.1 millions of 6½ per cent cumulative preference stock and $17.8 millions of first mortgage 5½ per cent sinking fund bonds, Series A, due 1947.

It has a strong working capital position but common stock must be a long way from earnings. The company has not been able to pay preference shares since 1932 and arrears of dividends would have to be paid up before the common would share. In 1934 the company only earned 27c. a share on the preferred stock and 38c. a share in 1933. There was nothing in 1932, 1933 or 1934 on the common stock. Even in preceding years the earnings were as follows: 5c. a share in 1928, 39c. a share in 1929, 34c. a share in 1930 and 32c. a share in 1931.

The chance of common stock would come in an active construction period. There is some improvement in that direction but a period of higher rents, greater confidence and less unemployment will have to come before it can realize anything like its full potentialities.

## Gatineau Power

Will you tell me whether or not Gatineau Power Co. will be able to continue paying interest on its 5 per cent first mortgage bonds, due 1956 in the event Ontario Hydro repudiates its contract? Also, please let me know how the bonds rank in priority in respect to earnings.

It has been calculated that in the event of Gatineau Power Co. losing all of its Ontario Hydro-Electric Power Commission business, it would be able to continue interest on its first mortgage bonds out of revenue received from other sources. It is also calculated that if the company retains its 60-cycle business with the Hydro, it would be able to take care of interest charges on its debentures. Gatineau five per cent bonds have priority over other securities issued by the company. And as far as can be determined at the present time, the company will continue to pay the interest on this security irrespective of whether or not the Ontario government carries out its threat to repudiate the contracts made with the Quebec Power companies by the Ontario Hydro Commission.

## Railway Exchange

Please be good enough to let me have your latest information regarding operations and earnings of the Railway Exchange Bldg. Co. I hold some of the bonds in this enterprise and would like to know whether or not I should continue holding the security or sell and take my loss?

The last report on the Railway Exchange Building Co., covering the fiscal year ended April 30, 1935, shows gross revenue of $44,990 compared with $42,570 in the previous year. The building was occupied to approximately 73 per cent, compared with 60 per cent as at April 30, 1934.

Operating revenues for the 1935 fiscal year, before deduction of interest on bonds and mortgages and before depreciation, amounted to $10,922. This was in contrast to $9,244 in the previous year. All arrears in taxes have now been paid. The amount of rent outstanding has been further reduced and the property has been maintained.

In regard to prospects of a return to the bondholders, the president, in a letter dated July 9, says: "I have been asked, from time to time, by bondholders whether they should continue to hold their bonds in prospects of further recovery of principal and income value. I am glad to say that the budget for the current year, ending April 30, 1936, anticipates a further moderate improvement and I believe that it is not unreasonable to expect this to be continued."

## B. C. Pulp

Will you please be good enough to let me know what information there is on current earnings of B.C. Pulp and Paper Co.? Also I would like to know if there is a market for the seven per cent general mortgage bonds.

Last year British Columbia Pulp and Paper Co. reported net earnings of $702,933. This was in contrast to $404,072 in the previous twelve months. While no official statement has been issued on revenue for the current year, two months ago the president stated that prices had been reduced this year on two types of the company's products, but that the company is maintaining its share of business to the Orient although prices are subject to very competitive conditions.

Since that time, the trade dispute between Canada and Japan has come to a head. Consequently Japan has imposed a prohibitive tariff on Canadian imports. This step will likely affect B.C. Pulp though it is unknown as yet to what extent.

Meanwhile there is a satisfactory market on the seven per cent general mortgage bonds. There is a firm bid of 59 for the securities and this would seem to indicate that the Dominion's trade troubles with Japan will not unduly affect the earning power of the company.

## Canada Northern Power

Is Canada Northern Power common stock a satisfactory investment? Is it a good hedge against inflation?

Earnings on the common stock of Canada Northern Power Company in the last three years were as follows:

1932—91 cents a share earned and 80 cents a share paid;

1933—$1.12 a share earned and 90 cents a share paid;

1934—$1.67 a share earned and $1 a share paid.

There have been, as you see, increasing earnings during this period. The company has good working capital and is naturally sharing in the development of the mining country where the use of power is very necessary.

The stock of a utility company is not generally considered a good hedge against inflation because the rates are hard to change. They are made by contracts with various mining companies to run over a considerable period and, as a rule, do not provide for fluctuation.

## Windsor Hotel

We should be glad of any information you may be in a position to furnish us with in connection with Windsor Hotel 6½ per cent 1943 bonds, and what steps, if any, have been taken by the bondholders.

We understand that no official action has been taken by the bondholders of Windsor Hotel to form a protective committee. Interests closely identified with the company,—also holders of large blocks of the 6½ per cent bonds,—have formed an unofficial committee to look after things. It is said that there is no particular value in forming a protective committee as there is little that can be done to improve the position of the company, while the formation of a committee would only entail unnecessary expense.

## Bruck Silk Mills

As a subscriber to The Financial Post, I would appreciate a review of Bruck Silk Mills earnings in the past few years. Can you tell me what dividend is being paid now and what has been the company's dividend record in the last five or six years?

Bruck Silk Mills operating profits have more than doubled in the last five years. Net applicable to common stock jumped from a deficit of $34,045 in the 1930 fiscal year to $184,233 in 1934. Dividends were paid on the common stock in 1929 and 1930, but were dropped in the three succeeding years. Last year payments were resumed and at present the company is paying 30 cents a share quarterly.

# *Mining Enquiries*

## Kirkland Lake Gold

I bought 500 shares of Kirkland Lake Gold Mining Co. in 1927 at $2.71 per share. I would like some information as to the company's present position. The company at one time had a large interest in Kenty Gold Mines. What has happened to this concern?

Under the able management of Dr. J. B. Tyrrell, Kirkland Lake Gold Mining Co. is carrying on a deep development programme with considerable success. In recent years, operations have shown steady improvement. Last year, this company joined the ranks of dividend payers, the initial dividend being three cents per share. The dividend was earned by a very slight margin, net profits for 1934 being equivalent to 3.1 cents per share. Bullion production in 1934 had a value of $702,700, an increase of $181,290 over the production of 1933. This increase was a direct result of the rise in the price of gold since the grade of ore milled was lower. The higher price of gold enabled the company to mill at a profit ore from the upper levels which previously was unprofitable. This factor will tend to extend the life of the mine considerably. In 1934, a thorough examination of the mine was made by Professor S. M. Graham and V. H. Emery, two prominent engineers, and as a result of their report, a more thorough and intensive programme of lateral exploration and diamond drilling was undertaken in the mine, including the upper levels which had not been worked for some years. It is stated that encouraging results are being obtained from this programme. Since the end of 1934, improvements have also been shown in milling operations.

Kirkland Lake Gold owns 360,000 shares in Kenty Gold Mines. This company suspended development on its property in Swayze twp. in July, 1934, when underground work failed to disclose commercial ore bodies of sufficient size to warrant development. At the present time, the company is looking for a promising property. As at December 31, 1934, the company had $115,000 in its treasury.

## Murray Algoma

Some years ago I was interested in the Hawk Lake partnership which owned a gold prospect near Hawk Junction on the Algoma Central Railway. This property was taken over by Murray Algoma Mining Co. I received shares in this company for my interest. Recently I received a letter stating that Murray Algoma shareholders are being assessed 45 cents per share. Could you tell me what progress has been made at this property and whether this further investment is worth while.

There appears to be some misunderstanding in connection with the assessment on your stock of Murray Algoma Mining Co. Briefly the transaction between Murray Algoma and Hawk Lake partnership was as follows: Murray Algoma took over the property of Hawk Lake partnership and paid the partnership 6,000 shares in Murray Algoma in return. Half of these went to William H. Reed, of Sault Ste. Marie, and the other half, 3,000 shares, has been, we understand, distributed to holders of Hawk Lake units on a basis of nine for one. We are reliably informed that there is no assessment on Murray Algoma stock, as your letter states, and we would suggest checking carefully credentials of the person who told you there was.

Murray Algoma now plans to install a small pilot mill on the property to work ore from surface. It is hoped from this work to pay for further developments, of which the property is in bad need. Only surface work having been done to date. The company has issued no balance sheet and must still be considered as an out and out speculation.

## Barry-Hollinger Mines

I have held some Barry-Hollinger Mines stock for a number of years. I would appreciate receiving a report of this company's present position.

Barry-Hollinger Gold Mines has been plugging along for years trying to make a profitable operation out of a producing gold mine in the Boston Creek area of Ontario. To date, however, its efforts have not met with any degree of success. In recent years, the company has had a deficit on operation without making any provision for depreciation or depletion. The company is not credited with a very healthy position either financially or minewise.

As at December 31, 1934, working capital account showed a deficit of approximately $15,000. In the year ending December 31 last, operating loss amounted to $47,442. Bullion production for the period was $91,140. No statement as to the physical condition of the mine accompanied the financial statement. The future of this property cannot be said to be very bright.

## Parkhill Gold Mines

I am thinking of investing in Parkhill Gold Mines' stock. Could you give me a report on this company's financial position and the situation minewise?

Operations of Parkhill Gold Mines have shown considerable improvement in recent months. Production during the past nine months has been the highest in the company's history and it is expected that the company's annual report for the year ending September 30, 1935, will be the best in its history. Net profit in the first six months of the company's fiscal year was $13,042. Net profit in the ten months ending September 30, 1934 was $34,476.

Working capital as at September 30, 1934, was $43,834. Current liabilities, however, do not include a loan of $102,000 made to the company by its president, Sir Thomas Tait. It is understood that this loan has been considerably reduced.

As you no doubt know, the company's property is located in the Michipicoten area, Ontario. While the grade of ore is high, costs are also high because of the type of ore bodies, and the mining methods used. Ore at the Parkhill occurs in lenses and for this reason no estimate of ore reserves has ever been made. At no time has the company had a large amount of ore developed ahead of the mill, a large scale development programme being impossible because of lack of finances. Production commenced in July 1931, but has not been continuous since that date.

Intensive development during the past year has improved the picture at the mine and ore has improved with depth. Several new ore shoots have been encountered. The company has also encountered the downward extension of the Smith vein by extending a crosscut east from the shaft. This is the first ore encountered east of the shaft below the second level. A large section in this portion of the mine remains yet to be explored.

What the future holds for Parkhill is difficult to say. To date there is nothing to indicate that it will be anything else but a small producer. Its stock cannot be considered to be any more than a speculation.

CANADIAN SECURITIES

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## Rackets

**More Milk Stealing**

FOLLOWING publication of the "extra milk" racket in last week's Post, a variation of this plot has been reported. In this case, extra cream was actually ordered but just as often disappeared during the period before the milkman's call and the pick-up by the householder. Invariably after the theft the empty bottle was found in a vacant lot next door. Tramps were suspected.

After several disappearances of the extra order of cream, the householder decided to keep watch. The order was delivered in the early hours of the morning and shortly afterwards a delivery man from another dairy appeared. He came in quietly and lifted the extra bottle, removed the top and poured it into a bottle of his own. On his way out he tossed the empty bottle into the vacant lot.

Apparently this rival was working the scheme both ways, taking cream from a rival dairy, putting it into one of his own company bottles and selling it. The receipts in such a case were pocketed, thus denying his own dairy of a legitimate sale and robbing householders.

An investigation disclosed the fact that this thieving delivery man had no business in the neighborhood at all, having no customers in that particular apartment house.

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"CANADA PERMANENT" has had and fully merited the confidence of many thousands of investors, no one of whom has at any time in that long period experienced the slightest delay in the receipt of funds to which he was entitled.
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"CANADA PERMANENT" has not only effectually safeguarded but has been of material assistance in increasing the savings of prudent and thrifty citizens.
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THE ONTARIO LOAN AND DEBENTURE CO
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Established 1870
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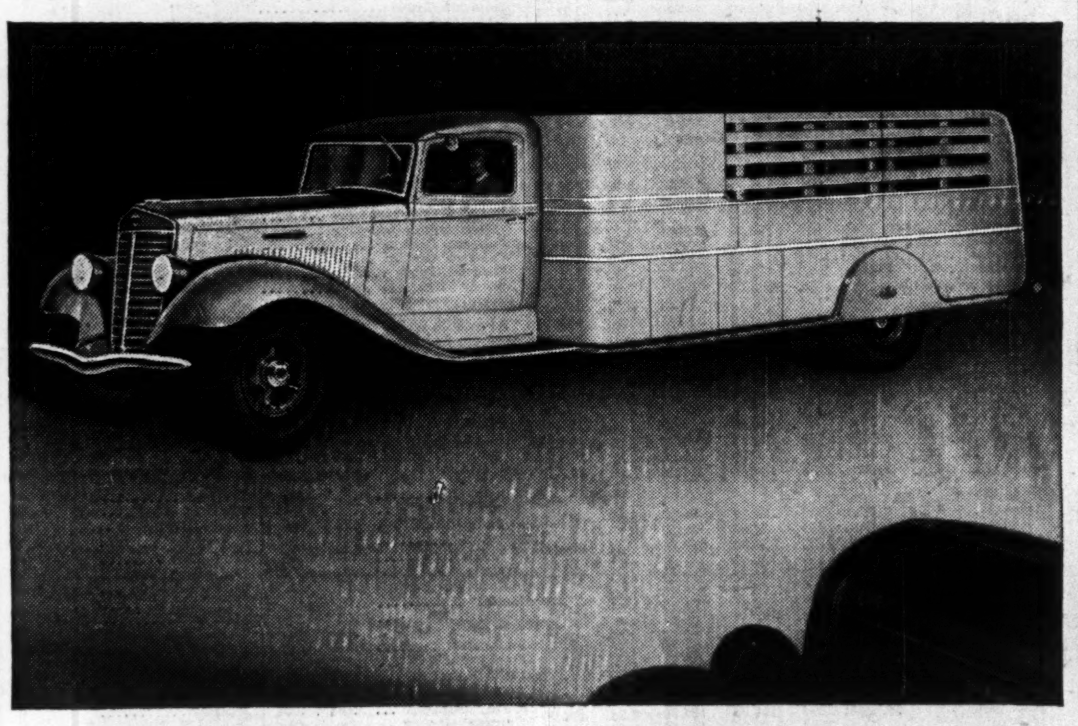

Example of de luxe styling for International Trucks. The modern International line fits all hauling needs—sizes from ½-ton to powerful six-wheel units. Prices as low as $581 f.o.b. Chatham, Ont., for ½-ton 6-cylinder chassis. See the newest Internationals in the Automotive Building at the Canadian National Exposition.

For Long Hard Mileage
and economy spread over the years

A suit of shoddy materials may stand the test of a sunny afternoon. But what of its condition after a year of hard wear? And, likewise, what about the truck you buy, at the end of a year's hard service?

A short try-it-on-the-job demonstration cannot tell you what you're going to find out after long mileage. And that's what you want to know when you buy. Brilliant performance is common enough in most new trucks today, but not all trucks can continue to give you trouble-free, low-cost service for long.

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General Contractors:
Carter-Halls-Aldinger Co. Ltd.
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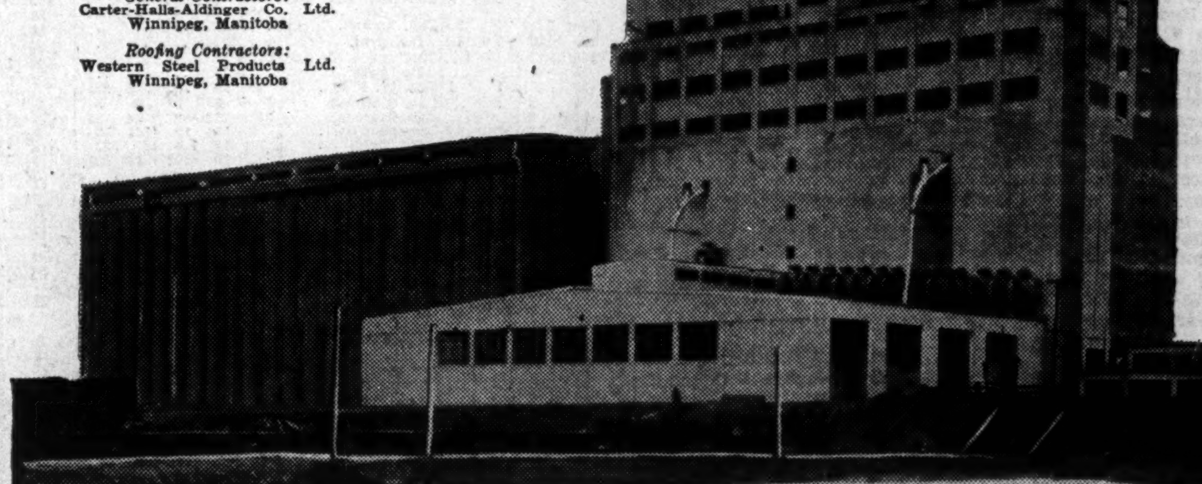
Western Steel Products Ltd.
Winnipeg, Manitoba



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Vital to the success of this great undertaking is the massive Grain Elevator pictured above, through which will flow the golden harvest of Canada's Western Plains.

To a Murray Built-up Roof falls the distinction of protecting this important structure from the ravages of the northern climate.

But however harsh the conditions this Murray-Made Built-up Roof will endure, the Murray record of performance is the surest guarantee of unfailing roof service, season after season, year after year.

MURRAY MADE
BONDED ROOFS
A Surety Bond definitely guarantees trouble-free and expense-free service over a period of 10, 15 or 20 years, according to the specifications selected. Only authorized Roofers are permitted to apply Murray-Made Bonded Roofs, the entire construction being under the direct supervision of Murray engineers.

Alexander MURRAY & Company LIMITED
BUR 9
MONTREAL TORONTO HALIFAX SAINT JOHN WINNIPEG VANCOUVER
Affiliated with Dominion Tar & Chemical Co., Limited — Canada Creosoting Co., Limited — Fibre Conduits, Canada, Limited

CANADIAN WESTINGHOUSE COMPANY, LTD.

Originally incorporated in 1896 in Hamilton, Ontario, as The Westinghouse Manufacturing Company, manufacturers of Westinghouse air brakes for steam railways, the name was changed in 1903 to Canadian Westinghouse Company, Limited, and facilities were expanded to manufacture electrical equipment of every description.

With the electrification of nearly every industry in Canada, the Company during recent years has devoted its activities largely to electrical products for the home, including Mazda lamps, ranges, refrigerators, radio, radiotrons, washers and other household appliances.

Westinghouse electrical appliances are advertised in—

Maclean's
Canada's National Magazine

# Company Earnings

## Neon Products

Neon Products of western Canada improved earnings and working capital in the year ended April 30, 1935. No earnings report has been available since April 30, 1931, but balance sheets have been published.

**Income and Surplus Account**
(Reports for 1934, 1933 and 1932 not published)

| | Yr. End. Apr. 30 1935 $ | Yr. End. Apr. 30 1931 $ |
|---|---|---|
| Net profit | 53,698 | 86,819 |
| Add: Disc. on pref. shs. purch. for cancellation | 1,899 | ...... |
| Res. for conting. trans. | 8,564 | ...... |
| | 64,161 | 86,819 |
| Less appropriations: | | |
| Preference divds. | 12,446 | 18,000 |
| Common divds. | 13,709 | 13,709 |
| Sink. fund requirement for red. of pref. shs. | 7,111 | ...... |
| Trans. to cap. surplus | 22,800 | ...... |
| Surp. for period | 8,095 | 55,110 |
| Add: Pr. surp. | 10,365 | 16,051 |
| Bal. car. forward | 18,460 | *71,161 |

*Includes capital surplus.

**Capital Surplus**
Year Ended April 30, 1935

| | |
|---|---|
| Balance, April 30, 1934 | 65,736 |
| Add: Appropriation for year: | |
| Sinking fund requirements | 7,111 |
| Trans. from earned surplus | 22,800 |
| Balance carried forward | 95,650 |
| Comprising: | |
| Sinking fund requirements | 15,480 |
| Cost of pref. shares redemp. in excess of sink. fund requirement | 59,227 |
| Discount on redemptions | 20,943 |
| | 95,650 |

**Working Capital Account**

| | April 30 1935 $ | April 30 1934 $ |
|---|---|---|
| Current assets | 107,731 | 49,319 |
| Current liabilities | 36,934 | 37,187 |
| | 70,797 | 12,132 |
| Ratio | 2.92—1 | 1.33—1 |

## Inter. Paper & Power

International Paper & Power Co.'s consolidated income for the first quarter of 1935, exclusive of that for International Hydro Electric System, amounted to $22.5 millions, compared with $20.8 millions for the corresponding period of 1934.

Newsprint tonnage declined 10 per cent as compared with the first quarter of 1934, reflecting the reduction by newspaper publishers of their excess stock accumulated November and December. As a result of an improvement in other grades, however, total deliveries by the company of all pulp and paper in the first quarter of this year were slightly above the corresponding period last year.

The increase of $1.6 million in gross income is largely offset by higher costs and expenses, but the net loss for the period after all charges was reduced to slightly more than $1 million in 1935 compared to $1.2 million in 1934.

During the first quarter of 1935 consolidated funded debt showed a further reduction of $775,378. The result has been little change from the December 31, 1934, position in consolidated notes payable or in consolidated net working capital.

**Profit and Loss Account**
(Excluding Inter. Hydro-Electric System)
Three Months Ended March 31

| | 1935 $ | 1934 $ |
|---|---|---|
| Gross sales | 22,487,148 | 20,863,457 |
| Other income—net | 288,024 | |
| | 22,775,172 | |
| Less: Cost of sales and expenses | 13,859,333 | |
| Freight & delivery expenses | 3,055,604 | * |
| Maint. & repairs | 1,358,707 | |
| Taxes (other than income taxes) | 488,459 | |
| Selling, general admin. exps. | 1,840,890 | |
| Net income | 2,172,179 | 2,002,942 |
| Less: | | |
| Int. on funded debt | 983,589 | 1,022,054 |
| Int. on unfund. debt | 226,747 | 250,372 |
| Amort. of debt disct. and expense | 97,233 | 111,953 |
| Depreciation | 1,316,342 | 1,240,028 |
| Depletion | 187,337 | 174,152 |
| Prov. doubtful accts. | 156,909 | 235,661 |
| Prov. income taxes | 95,968 | ...... |
| Divds. accr. on pref. stocks of subsids. | 177,050 | 187,263 |
| Net loss | 1,068,995 | 1,218,543 |

*Detailed figures in this form were not compiled for the respective quarters during 1934 but only for the full year, as presented in the annual report.

Unpaid cumulative dividends on 7% and 6% cumulative preferred stocks of International Paper and Power Co. for the period from April 15, 1931, to March 31, 1935, amount, respectively, to $24,866,760 and $87,875 or a total of $24,954,635.

## Stan. Reliance Assets

In the first report issued since 1931, Standard Reliance Assets reveals that deficits were incurred in 1933 and 1934. Reduced rental and interest income account for the deficits, since expenses, taxes and interests costs cannot be reduced readily. Surpluses of $29,253 and $9,192 realized in 1931 and 1932 respectively were almost sufficient to offset the last two years' deficits. The balance sheet shows total assets of $1,960,243. Remaining claims of preferred shareholders for capital total $1,513,796, and accounts payable amount to $5,234. This left a nominal surplus of $441,212 for the preferred shareholders who also have claims for interest.

Little progress has been made during the depression in liquidating properties because of adverse conditions in the real estate market. It is explained by L. V. Wright, secretary, that it costs some $1,200 to issue the report and hold a meeting and that this has not been done for four years in the interests of economy. The meeting on August 22 at Toronto will be the first since July 9, 1931.

**Consolidated Revenue and Expenses**
Years Ending December 31

| | 1934 $ | 1933 $ |
|---|---|---|
| Revenue | 76,675 | 97,504 |
| Less: Maint. of prop. | 82,163 | 85,482 |
| Salaries, dir. fees, etc. | 18,756 | 20,240 |
| Taxes | 667 | 651 |
| Other expenses | 5,786 | 5,557 |
| Net deficit | 30,697 | 14,426 |

**Consolidated Receipts and Disbursements**
Years Ending December 31

| | 1934 $ | 1933 $ |
|---|---|---|
| Receipts | 206,093 | 163,051 |
| Disbursements: | | |
| Property exp. | 70,595 | 75,307 |
| Oper. expenses | 22,829 | 24,541 |
| Mortgages paid off | ...... | 1,000 |
| Taxes | 37,074 | ...... |
| Paid on accounts | 2,746 | 2,521 |
| Advances* | 43,517 | 47,530 |
| Cash and bank bal. | 29,332 | 12,152 |

*For taxes, etc., chargeable to mortgages and sale agreements, repossessed land and advances to subsidiary companies.

## Crédit Foncier

Credit Foncier Franco-Canadian, increased net profits slightly in 1934. Representative of widespread mortgage lending in Canada, the company's statement reflects particularly the difficulties of collections in western grain areas. It shows additions in 1934 of $725,000 to reserves for possible losses. Additions were also made to reserve for liabilities payable in francs. Withdrawals from reserves set up in the past, however, resulted in a net reduction of total reserves. These stood at $18,349,663 in 1934, compared with $20,196,016 in 1933. The report mentions that the Farmers Creditors Arrangement Act may have a pronounced bearing on the company's operations. The hope is expressed, however, that it will be administered equitably.

**Shareholders' Position**

| | 1934 | 1933 |
|---|---|---|
| Rate earned on com. | 117 fr. | 112 fr. |
| Divs. paid on com. | 100 fr. | 100 fr. |
| Net profits | 778,143 | 743,459 |
| P. & L. surplus | 636,026 | 631,638 |

**Creditors' Position**

| | $ | $ |
|---|---|---|
| Debentures | 18,748,015 | 19,341,924 |
| Secured by: | | |
| Liquid assets | 4,788,846 | 5,833,571 |
| Mortgages | 40,494,466 | 42,731,975 |
| Other net assets | 2,871,816 | 2,187,763 |
| Total | 48,155,128 | 49,252,760 |

## Railway Exchange

Railway Exchange Building Co., Montreal, reports a gross revenue for the twelve months ended April 30, 1935, of $44,990, as against $42,570 for the previous year. Operating revenue, before deduction of interest on bonds and mortgage and before depreciation, totalled $10,922. This was in contrast to $9,244 for the previous year. All arrears of taxes have now been paid. The amount of rents outstanding has been further reduced.

At the end of last April, the building was 73 per cent occupied, compared with 60 per cent as at April 30, 1934. The average rate of rental received by the company is said to compare favorably with that of similar properties in Montreal.

## Crescent Creamery

Crescent Creamery Co., Winnipeg subsidiary of Eastern Dairies Ltd., reports a net loss of $33,046 for the year ended March 31, 1935, as compared with a net loss of $1,646 in the previous year. The poorer showing is attributed by the directors to unsettled conditions in Winnipeg and the fixing of the selling price by the Manitoba Public Utility Commission at a level insufficient to provide a fair spread to cover operating expenses and other charges.

In regard to dividends on the preferred stock, which is outstanding in the hands of the public, the directors say that "in view of the prevailing conditions your directors have no option but to defer action with regard to dividends until such time as conditions in the industry are more permanently settled."

Additional Company Earnings on Page 13

## Ontario Grape Prices

### At Last Year's Levels

The same prices as last year, $40 a ton for blue grapes and $50 a ton for white, have been agreed upon by Ontario grape growers and E. G. Odette, chairman of the Ontario Liquor Control Board.

Sales of native wine are down about 20 per cent as compared with last year. This is attributed in part to the operation of beverage rooms with greater demand for beer, and also in part to some of the large wineries operating their own grape acreage.

# WEEK'S CANADIAN STOCK AND BOND QUOTATIONS

## Montreal, Toronto and Curb Markets

WEEK ENDING AUGUST 12

| Range 1935 High | Low | Divd. Rate Y'ld in $ in % | Aug. 10 | | Sales | Close Aug. 5 last | Week Ending (or Aug. 12) High | Low | Close |
|---|---|---|---|---|---|---|---|---|---|
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |

## Unlisted Canadian Stocks

(Furnished by A. J. Pattison Jr. & Co., Toronto)

August 13, 1935

| Industrial Stocks: | Bid | Asked |
|---|---|---|
| Acadia Sugar, c. | 2.50 | 3.00 |
| Do., pfd. | 4.50 | 5.00 |
| Acme F. Dairy, p. | 41.50 | ... |
| Allens Beach, pfd. | 50.00 | ... |
| Allens Tor. p. b. c. | 22.00 | ... |
| Aluminium Ltd. | 27.00 | 30.00 |
| Andian National | 45.00 | 46.25 |
| B. C. Pulp pfd. | 6.00 | 8.50 |
| Burns, Ltd., A | 4.00 | 5.50 |
| Do., B. | 2.50 | 3.25 |
| Can. Paper pfd. | 65.50 | 75.00 |
| Can. Starch, c. | 13.00 | ... |
| Do., pfd. | 83.50 | ... |
| Can. Wire & C. p. | 55.50 | 57.50 |
| Can. Indust. A | 193.00 | ... |
| Do., B | 192.00 | 196.00 |
| Do., pfd. | 157.00 | 160.00 |
| Can. Marconi com. | 1.55 | 2.00 |
| Can. P'board p. b. | 4.00 | 6.00 |
| Can. Tube 1st pfd. | 29.00 | ... |
| Can. Westing. | 47.00 | 48.50 |
| Chase, pfd. bonus | 24.00 | 26.00 |
| Claude Neon Ad. U. | 2.75 | 3.50 |
| Copeland Flour U. | 4.00 | 6.00 |
| Dom. F. & Steel c. (New) | 19.50 | ... |
| Do., pfd. (New) | 68.00 | ... |
| Dom. Woollens c. | .40 | .80 |
| Dunlop Tire, pfd. | 68.00 | 71.50 |
| East. Dair., p. | 12.50 | 14.50 |
| Edm. C. Dairy, p. | 49.00 | ... |
| Fed. Grain c. | .60 | 1.00 |
| Do., pfd. | 27.00 | 29.00 |
| Goderich Elevator | 5.00 | 5.75 |
| Green. Wire, pfd. | 99.00 | 103.00 |
| Guelph Carpet, p. | 98.00 | 99.00 |
| Do., com. | 14.50 | 15.50 |
| Hayes Wheels pfd. | ... | 9.50 |
| High. Dairy, c. | 3.00 | 3.75 |
| High. Dairy, pfd. | 79.00 | ... |
| Huether Brew. p. b. | 3.00 | 4.00 |
| Inter. City Bak., c. | 17.25 | 19.00 |
| Inter. Met Ind. A, pfd. | 35.00 | 39.00 |
| Inter. Paints, pfd. | 19.00 | 20.50 |
| Loew's London p. | 2.00 | 3.00 |
| Mansf. Theat. pfd. | 24.00 | 26.00 |
| Massey Harris pfd. | 27.00 | 28.00 |
| Mercury Mills, p. | 6.00 | 9.50 |
| Morrow Screw p. | 95.00 | ... |
| New M. Laund. pfd. bonus | 61.50 | 65.00 |
| Niag. W. Weav. p. | 51.50 | 53.00 |
| Para. Oshawa, p. | 57.00 | ... |
| Perf. Pet. pfd. | 15.00 | 19.50 |
| Prov. Paper pfd. | 99.00 | 101.00 |
| Rel. Grain, pfd. | 64.00 | 67.00 |
| Rob. Cons. Cone | 8.00 | 8.75 |
| Ruddy, pfd. | 26.00 | ... |
| Std. Fuel p. bon. | 101.00 | 103.50 |
| Super. Pet. B | 26.00 | 28.00 |
| Tor. Carpet pfd. | 31.00 | ... |
| United Amuse. A | 10.25 | 13.00 |
| Do., B | 10.00 | 12.00 |
| Un. Steel pfd. | 3.25 | 4.00 |
| West. Grain, p. b. | 10.00 | 11.00 |
| **Insurance Stocks:** | | |
| Brit. America | 36.50 | 40.00 |
| Canada Life | 455.00 | ... |
| Canadian Fire | 74.00 | 80.00 |
| Can. Ins. Shs., c. | 10.00 | 11.50 |
| Conf. L. 20% pd. | 121.00 | 125.00 |
| Cont. L. 20% pd. | 35.00 | 40.00 |

| | Bid | Asked |
|---|---|---|
| Crown Life | 112.00% | ... |
| Dominion Fire | 110.00 | ... |
| Dom. L. 50% pd. | 260.00 | 300.00 |
| Dom. Gen. | ... | 86.00 |
| Empire L. 25% pd. | 4.50 | ... |
| Excel. L. 30% pd. | 70.00 | 74.00 |
| Fed. Fire 25% pd. | 36.00 | 40.00 |
| Fidelity of Can. | 46.50 | ... |
| Gt. West Life | 400.00 | 415.00 |
| Guar. of N. A. fully pd. | 240.00 | .... |
| Imperial Life | 310.00 | ... |
| Manu. Life | 247.00 | 257.00 |
| Mon. L. 10% pd. | 17.00 | 20.00 |
| Nat. L. 25% pd. | 53.50 | 57.00 |
| Sov. L. 25% pd. | 14.50 | 16.00 |
| Sun Life | 420.00 | 430.00 |
| Tor. General | 4.25 | 5.00 |
| West. Assur., com. | 35.00 | 39.00 |
| Do., pfd. | 40.50 | ... |
| W. Em. L. 20% pd. | ... | 9.50 |
| **Trust & Loan Stocks:** | | |
| Chartered Trust | 76.00 | ... |
| London & W. Tr. | 30.00 | 35.00 |
| Premier Trust | 85.00 | 91.00 |
| Sterling Trust | 30.00 | 35.00 |
| Traders Fin. B p. | 64.00 | ... |
| Do., com. | .70 | ... |
| Trusts & Guar. | 33.50 | 35.00 |
| Victoria Trust | 120.00 | 125.00 |
| Waterloo Trust | 98.00 | ... |
| Sherbrooke Tr. | 110.00 | ... |
| **Investment Trust Shares:** | | |
| Can. Gen. Invest. | 6.20 | ... |
| Can. Investors | 5.50 | 6.00 |
| Can. Int. Inv. Tr. Units | 26.25 | 28.00 |
| Can. Invest. Fund | 3.30 | 3.75 |
| Cons. Div. Std. Sec. Units | 10.50 | 12.00 |
| Deb. & Sec., p. | 26.00 | ... |
| Dom. & Anglo Inv. Units | 190.00 | ... |
| Dom. Scott. In. U. | 23.00 | 26.00 |
| For. Power Sec. p. | ... | 10.00 |
| Invest. Found. U. | 39.25 | 41.00 |
| Sec. Holding Units | 11.00 | 13.00 |
| United Corpns. A | 16.75 | 17.75 |
| Do., B | 5.25 | 6.00 |
| **Power Issues:** | | |
| Calgary Power p. | 83.50 | 85.00 |
| Can. L&P com. | 25.00 | 28.00 |
| Can. W. N. Gas, p. | 95.00 | 97.00 |
| Do., com. | 21.00 | 24.00 |
| Gt. Lakes Pwr., p. | 68.00 | ... |
| N. B. Tele., com. | 10.00 | 11.25 |
| N. S. L&P com. | 46.00 | 48.00 |
| N. S. L&P, pfd. | 96.50 | 98.50 |
| **Recent London Quotations:** | | |
| Brit. Col. Tele., pfd. | | $105½ |
| Brew. & Distillers | | 3s. |
| Canada Company | | 7s. 6d. |
| Can. & For. Secs. | | 4s. |
| Can. Collier, $1 com. | | 1½d. |
| Do., pref. $10 | | 4½d. |
| Can. N. W. Land | | 10s. |
| Can. West. Lumber | | 10½d. |
| Hudson's Bay | | 17s. 6d. |
| Do., pref. | | 89s. 9d. |
| Imp. Tob. (Canada) 6% pfd. | | 27s. 6d. |
| Third Can. Gen. Inv. | | 6s. 6d. |

## Dominion and Provincial Bonds

August 14, 1935
(Furnished by Toronto Bond Traders' Association)

Dominion of Canada Bonds

| | | | Bid —Aug. | Asked 14— | Approx. Yield | Bid Aug. 7 |
|---|---|---|---|---|---|---|
| Dominion | 3½ | 15 Oct. 1935 | 100.20 | 100.45 | .80 | 100.00 |
| Dominion | 4 | 15 Oct. 1935 | 100.30 | 100.55 | .70 | 100.40 |
| Dominion | 2 | 15 Oct. 1936 | 100.35 | 100.75 | 1.35 | 100.35 |
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |

Dominion Guaranteed Bonds

| | | | | | | |
|---|---|---|---|---|---|---|
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |

Provincial Government Bonds

| | | | | | | |
|---|---|---|---|---|---|---|
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |

Municipal Bonds

| | | | | | | |
|---|---|---|---|---|---|---|
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |

## Montreal, Toronto and Curb Markets (Cont'd)

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |

## Active Corporation Bonds

(Furnished by Toronto Bond Traders' Association)

August 13, 1935

| | Int. Rate | Due | Bid Aug. 13 | Asked | Bid Aug. 6 |
|---|---|---|---|---|---|
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |
| Wabasso Cotton | 6% | 1947 | 102 | ... | 102 |
| Wabasso Cotton | 7% | 1942 | 104½ | ... | 104½ |
| Western Grain | 6% | 1949 | 70 | ... | 69½ |
| Woods Mfg. | 6% | 1943 | 101 | ... | 101 |
| *Zimmerknit Mfg. Co. | 6% | 1951 | 98 | 101 | 98 |

§Payable in U. S. only. *Payable in Can. or U. S. ‡Payable in Canada or U. K. †Payable in Can., U. S., or U. K. ▲Payable in N. Y.

## Unlisted Mining Stocks

August 13, 1935

| | Bid | Asked |
|---|---|---|
| Ascot | .27 | .29 |
| Arntfield Gold | .75 | .78 |
| Arntfield Synd. | .90 | .95 |
| Adanac | .09 | .10½ |
| Ardeen | .07 | .08 |
| Athona (Gt. B. L.) | .70 | .73 |
| Athabaska Portals | .20 | .22 |
| Bailor | .01 | .02 |
| Bidgood Kirk. | .04 | .05½ |
| Bankfield Gold | .45 | .47 |
| Bathurst | .01½ | .02½ |
| Bosquet Gold | .09½ | .10½ |
| Can. Pandora | .03½ | .04½ |
| Can. Radium | .37 | .40 |
| Casey Summit | .05½ | .06½ |
| Canusa Mining | .04 | .05½ |
| Casey Contact | .08½ | .09½ |
| Central Porc. | .22 | .25 |
| Cons. Chib. Free | .55 | .65 |
| Cons. Chib. Pool | .50 | .60 |
| Columario Cons. | .00½ | .01½ |
| Chromium M. & S. | .. | .45 |
| Dorval Siscoe | .. | 4.00 |
| Dunlop Cons. | .00½ | .01 |
| El Bonanza | .10 | .12 |
| Forty-Four Gold. | 7.00 | 8.00 |
| Glenora Gold | .06 | .07 |
| Galatea | .05 | .06 |
| Goldside | .05 | .06 |
| Gold Eagle | .33 | .37 |
| Greenlaw | .05½ | .06½ |
| Hardrock | .50 | .52 |
| Hislop Gold | ... | .06 |
| Horseshoe | .02½ | .03½ |
| Hudson Patricia | .08 | .09½ |

| | Bid | Asked |
|---|---|---|
| Jellicoe | .04 | .05 |
| Johnson Nip. | .01½ | .02½ |
| Kirk. Gold Belt | .12½ | .13½ |
| Lafayette L. Lac | .05½ | .06½ |
| La Palme | .21 | .22 |
| Long Lac Lagoon | .04 | .05 |
| Lamaque Gold | 2.12 | 2.22 |
| MacFarlane | .. | .02 |
| Macleod | .04½ | .05½ |
| MacL. Cockshutt. | .04½ | .05½ |
| Magnet Lake | .05 | .06 |
| Matachewan Can. | .12 | .14 |
| McCarthy Webb. | ... | .06 |
| Morrison Mines | .. | .20 |
| Mosher | .02½ | .03 |
| N.A.M.E. Un. | 18.50 | 22.00 |
| Nipsona | .18 | .21 |
| North Shores | .04½ | .04½ |
| Oklend | .24 | .26 |
| O'Leary | .06½ | .07½ |
| Pamour Porc. | 1.95 | 2.05 |
| Rice Lake | .02 | .03 |
| Shawkey | .41½ | .43½ |
| Silverado Gow. | .39 | .41 |
| Smelter Gold | .06 | .07 |
| Smith Cobalt | .15 | .17 |
| Straw L. Beach | .19 | .21 |
| Sturgeon R. Gold | .81 | .88½ |
| Sun Bear | ... | .16 |
| Thom.-Cadillac | .03 | .03½ |
| Wells L. Lac | .13½ | .14½ |
| Wingold | .06 | .07 |
| Wendigo | .16½ | .18 |
| West Red Lake | ... | .13 |
| Young David. | .15 | .17 |

Source of quotations on application. Not guaranteed.

## Winnipeg Stock Exchange

(Transactions from Aug. 1 to Aug. 8)

| Div. rate in $ | Yield in % | | Sales | High for period | Low for period | Close Aug. 8 |
|---|---|---|---|---|---|---|
| .. | .. | Beaver Lumber, pfd. | 5 | 68.00 | 68.00 | 68.00 |
| 20 | 4.8 | Great West Life | 7 | 410.00 | 410.00 | 410.00 |
| .. | .. | Flin Flon Synd. | 1,600 | .19½ | .19 | .19 |
| .. | .. | Forty Four | 360 | 10.15 | 9.25 | 9.30 |
| .. | .. | Gold Lake | 2,900 | .25 | .24 | .24 |
| .. | .. | Rice Lake Units | 5 | 2.00 | 2.00 | 2.00 |
| .. | .. | Rice Lake shs. | 500 | .02½ | .02½ | .02½ |
| 1 | 6.7 | United Grain | 42 | 15.00 | 15.00 | 15.00 |
| .. | .. | Wendigo | 400 | .10½ | .10½ | .10½ |
| .. | .. | Wingold | 1,850 | .07½ | .06 | .07 |

Stocks Not Traded in During Week*

| | Bid | Ask | | Bid | Ask |
|---|---|---|---|---|---|
| Beaver Fire | .. | 100 | Northern Trust | .. | 9½ |
| Beaver Lumber, c. | .. | 3 | Rel. Grain, pfd. | .. | 65½ |
| Canadian Fire | 72 | .. | West. Grain, pfd. | 8 | .. |
| Crescent Cream, p. | 25½ | .. | Can. Amer. Trust | 2.85 | 3.20 |
| City Dairy A | .. | 10 | Can. Inv. Fund | .. | 3.75 |
| Federal Grain | .. | 1 | Fundamental A | 4.83 | 5.00 |
| Federal Grain, pfd. | 26½ | .. | Series B | 4.56 | .. |
| Home Investment | 25 | .. | Grouped Inc. | .. | 4.85 |
| Monarch L. 10% pd. | 17 | 19 | | | |

*Stocks more active on other exchanges not included.

## Listed Bond Quotations

Week Ending Aug. 12, 1935

| | Int. Rate | Due | Yield | Latest Bid | High | Low | Range 1935 High | Low |
|---|---|---|---|---|---|---|---|---|
| Mtl. L. H. & P. Debs | 3 | 1939 | 2.93 | 50½ | 50½ | 49½ | 50½ | 46 |
| Abitibi | 5 | 1953 | .. | .. | 29½ | .. | 36 | 29½ |
| McNish | 6 | 1948 | .. | 3.25 | 3.10 | — | 4.00 | 3.10 |
| Mtl. Trams, A | 5 | 1955 | 6.36 | .. | 84½ | .. | 84½ | 75 |
| Price Bros. | 6 | 1943 | 7.60 | — | 90 | — | 90 | 90 |

## Classified Advertisements

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### *Business Opportunity Wanted*

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## DIVIDEND NOTICES


### The Canadian Bank of Commerce

**Dividend No. 194**

Notice is hereby given that a dividend of two per cent in Canadian funds on the paid-up capital stock of this Bank has been declared for the quarter ending 31st August, 1935, and that the same will be payable at the Bank and its Branches on and after Tuesday, 3rd September next, to shareholders of record at the close of business on the 31st July, 1935. The Transfer Books will not be closed.

By Order of the Board,
S. H. LOGAN,
General Manager.

Toronto, 19th July, 1935.

### The Bank of Toronto

**Dividend No. 216**

Notice is hereby given that a **Dividend of Two and One-Half** per cent upon the paid-up Capital Stock of this Bank has been declared for the current quarter, and the same will be payable at the Bank and its Branches on and after the third day of September next, to shareholders of record on August fifteenth, 1935.

By Order of the Board.
H. B. HENWOOD,
General Manager.

Toronto, July 10th, 1935.

### Borden's

COMMON DIVIDEND
No. 102

A quarterly dividend of forty cents (40¢) per share has been declared on the outstanding common stock of this Company, payable September 3, 1935, to stockholders of record at the close of business August 15, 1935. Checks will be mailed.

*The Borden Company*
E. L. NOETZEL, *Treasurer.*

### RELIANCE GRAIN COMPANY LIMITED

**PREFERENCE DIVIDEND No. 31**

NOTICE is hereby given that a dividend for the quarter ending August 31st, 1935, at the rate of 6½% per annum, will be paid on September 14th, 1935, to all preference shareholders at record at the close of business on August 31st, 1935.

By order of the Board.
A. W. GIBB,
Secretary.

Winnipeg, August 7th, 1935.

### Reno Gold Mines Limited (N. P. L.)

**DIVIDEND NOTICE**

Notice is hereby given that a dividend of three (3c) cents per share has been declared payable to shareholders of the Company of record as such on the books of the company at the close of business on Saturday, the 31st day of August, 1935, and that the dividend will be payable on or after the 1st day of October, 1935.

The Register of Transfers will be closed at the close of business on the 31st August, 1935, until the opening of business on the 10th day of September, 1935.

By Order of the Board.
W. A. SUTTON,
Secretary-Treasurer.

Vancouver, B.C., August, 1935.

### SYLVANITE GOLD MINES, LTD.

(No Personal Liability)
**DIVIDEND NO. 15**

NOTICE is hereby given that the regular quarterly dividend of five per cent. (5%) on the outstanding capital stock of the Company has been declared by the Directors of the Company, payable September 30th, 1935, in United States funds, to Shareholders of record at the close of business August 24th, 1935. The Canadian five per cent. (5%) tax will be deducted from dividends paid to non-residents.

By Order of the Board,
W. S. WALTON,
Secretary.

Toronto, August 13th, 1935.

### The Bird-Archer Co. Limited

NOTICE is hereby given that a dividend of $2.00 per share has been declared on the Common Stock payable on September 1st to stockholders of record at the close of business on August 8th.

And also a dividend of $4.00 per share has been declared payable on September 1st on the Preferred Stock to stockholders of record at the close of business on August 8th.

By Order of the Board,
H. C. HARRAGIN,
Vice-President.

Montreal, August 1st, 1935.


# Wheat

**Marking Time**

WINNIPEG.—The recession of wheat prices during the past few days on the Winnipeg market, like the previous advance is of no great significance, as with the wheat of the country practically absolutely controlled by the government agency, fluctuations represent principally the changing price ticket put by that agency on the very limited supplies that are being bought for export from day to day.

Although developments on the North American continent continue to be bullish, overseas buyers are not likely to be moved to commit themselves to any volume of advance purchases until Canadian policy is more settled, and with a waiting policy being pursued by both buyers and sellers, stagnation in the trade is becoming more pronounced.

• • •

**Brief Flurry**

THERE was a brief flurry when United States interests, scenting the possibility of a need in that country for some high grade Canadian milling wheat made some limited purchases, but these seem to have been largely disposed of again when markets south of the line began to show weakness. That in turn was attributed to the government crop report, which showed a prospective crop of 607,000,000 bushels. While this showed a loss in prospective yield of 125,000,000 during July, it was still not so bullish as observers had come to expect.

Liverpool, in spite of the increasing strength of the statistical wheat position refuses to become excited until more is known of the prospective situation in the Argentine, and fairly satisfactory harvest situation in Europe is a source of weakness to the market.

• • •

**Damage Continues**

DAMAGE to the western wheat crop continued during the past week, not only from the continued spread of rust north and west, but also from the shrivelling action of heat and drought in fairly extensive districts. Some of the grain already threshed is showing a very light test weight, often of 50 pounds or less to the bushel, farmers have not yet abandoned as much of the crop area as has been expected, and in the rusted areas of Manitoba and eastern Saskatchewan are trying to save every possible bushel, especially where threshing outfits are owned, and no great cash outlay is involved in harvesting. There is still a good deal of crop that has several weeks to go before it is ready for cutting, and the outcome of which may be fairly satisfactory.

## *Company Earnings*

### Can. Inter. Paper

Net income of Canadian International Paper Co. for 1934 at $4.9 millions was less than $200,000 greater than in 1933 despite an increase in sales and other income from $31.8 millions to $35.9 millions. Increased expenses accounted for the almost virtual offset of increased gross. After all charges, the book deficit for the year was $3.9 millions before taking into account profit on bonds redeemed. The profit and loss deficit now stands at $10.2 millions, compared with $5.7 millions a year ago.

The balance sheet shows relatively few changes. Working capital is less due to the inclusion of certain current liabilities payable in the early part of 1935, whereas in other years these liabilities were shown elsewhere on the statement. The principal change of interest is an increase in the amount owing to International Paper Co. from $954,079 in 1933 to $2,576,966 at the end of last year. The latter figure includes deferred and accrued interest on bonds and secured notes. In addition it is noted that C.I.P. has $5 millions of six per cent secured notes, all of which are held by International Paper Co., falling due May 1, 1935. Though the statement was prepared after that date no mention is made as to the manner in which this obligation was handled. Bank loans, account of International Power and Paper Co. of Newfoundland and New Brunswick International Paper Co. increased during 1934 from $1.3 millions to nearly $2.3 millions.

| | 1934 $ | 1933 $ |
|---|---|---|
| Gross income | 35,978,991 | 31,881,847 |
| Less: Expenses | 31,072,027 | 27,203,310 |
| Net income | 4,906,964 | 4,678,537 |
| Less: Sub. interest | 1,991,662 | 2,082,385 |
| C. I. P. interest | 3,408,359 | 3,438,143 |
| Amort. debt disc. | 356,765 | 171,424 |
| Depreciation | 2,034,397 | 1,828,194 |
| Depletion | 584,786 | 565,107 |
| Res. bad debts | 9,611 | ...... |
| Profits tax | 92 | ...... |
| Undeclared divds. | 506,116 | 506,116 |
| Net loss | 3,984,823 | 3,912,832 |
| Less: Profit bonds red. | 192,390 | * |
| Deficit for year | 3,792,433 | 3,912,832 |
| Previous deficit | 5,730,930 | †46,982 |
| Less: Amort. debt disc. | 668,001 | ...... |
| Add: Res. against inv. | ...... | 1,865,080 |
| Deficit forward | 10,191,364 | 5,730,930 |

*Taken into account in expenses, $337,112. †Surplus.


### THE CORRUGATED PAPER BOX COMPANY LIMITED

**Preferred Stock Dividend No. 10**

NOTICE is hereby given that a dividend of 1¾% has been declared on the Preferred Stock of the Company, payable on the 1st day of September, 1935, to shareholders of record at the close of business on the 16th day of August, 1935.

Dated the 8th day of August, 1935.

J. A. WHEALY,
Secretary.

### Photo Engravers & Electrotypers Limited

**DIVIDEND No. 21**

Notice is hereby given that a dividend of Fifty Cents per Share has been declared on the no par value stock of this Company, payable September 3rd, 1935, to Shareholders of record at the close of business on the 15th day of August, 1935.

The Transfer books will not be closed.

By order of the Board.
JAMES RICHARDS,
Secretary-Treasurer.

Toronto, August 12, 1935.


# WHEAT BOARD FOLLOWS CLASH ON PERSONNEL

## Withdrawal of R. D. Purdy from Lists Leads to Impassé

### ONE-SIDED AFFAIR

**From Our Own Correspondent**

OTTAWA.—Back of the Bennett appointment of a board to operate the new Canada Grain Board Act is an involved story of negotiations filled with halts and disappointment.

The final naming of John I. McFarland as chairman; David Smith, formerly with the central selling agency of the wheat pools, and H. C. Grant, professor at Manitoba agricultural college, as the Bennett nominees, brings to a one-sided climax the discussions of past weeks and throws much doubt on what sort of wheat policy Canada will have in the critical period between now and the general election.

Great importance is attached to this period. The new crop, it is reported, will not begin to reach the market in volume until the end of September and with a late election, a spirited effort to cut down the Canadian surplus if made by the new board in that time, would be of wide significance.

**Personnel Problems**

As to the personnel, the difficulties encountered have had to do largely with the fact that the government had trouble in bringing into being a harmonious board. After considerable discussion between Premier R. B. Bennett, John I. McFarland and members of the grain trade and the wheat pools the following slate was agreed to: Chairman, John I. McFarland; assistant chairman, E. B. Ramsey; member of the board, R. D. Purdy. Both Mr. McFarland and Mr. Ramsey are well known. Mr. Purdy is a former banker and is now connected with the Alberta pool.

**McFarland to Rest**

Mr. McFarland's acceptance of the chairmanship did not come as a great surprise. He would continue to hold the office, it is well understood, only if the Bennett government is returned to power. In the meantime he intended leaving the bulk of the work to Mr. Ramsey, taking a much needed holiday and undergoing a thorough medical examination.

**Ramsey's Position**

Mr. Ramsey, it is understood, accepted the appointment only for one year and on condition that his post as the chairman of the Board of Grain Commissioners be not filled.

As he would have been charged with the chief responsibility of administering the Board and dealing with the wheat surplus, there were conferences between Mr. McFarland and himself and it was commonly understood they had agreed on a policy of active selling.

Mr. Purdy, it was known, was acceptable to both Mr. McFarland and Mr. Ramsey.

**Purdy Causes Upset**

This set-up, however, was rudely shattered when Mr. Purdy declined to accept the appointment and in endeavoring to fill his place the Ramsey-McFarland rapprochement was broken.

The man suggested was David Smith, who was actively supported by representatives of the wheat pools and opposed, with equal activity, by the grain trade.

Mr. Ramsey apparently declined to accept a place on the commission if Mr. Smith was included in the personnel and to involve things more deeply, the grain trade sought to obtain representation on the board.

**Policy Clearer?**

Doubt now exists as to whether the negotiations have led to a clarification of wheat policy as was earlier supposed. Mr. McFarland has been taking delivery of the physical wheat against which he has been carrying hedges, but there is no future posted on the trading floor of the Winnipeg Grain Exchange.

It is believed though that Mr. McFarland has agreed to the posting of an October future as soon as possible. This, in itself, would not enable sales of wheat to be speeded up. If Mr. McFarland held all the stocks at the head of the lakes, a future market could not operate as the neck of the transportaton bottle would be jammed at that point.

**Will Switch Commitments**

But it is believed that in addition to the posting of an October future, Mr. McFarland has agreed to "switch" some 50 millions of bushels from August to October and this will make active trading in October grain possible.

It was hoped, therefore, that the effort to take delivery of all wheat in August and to "squeeze" any "shorts" in the market would be abandoned. Appointment, however, of an obviously one-sided administration to the board may radically alter this prospect.

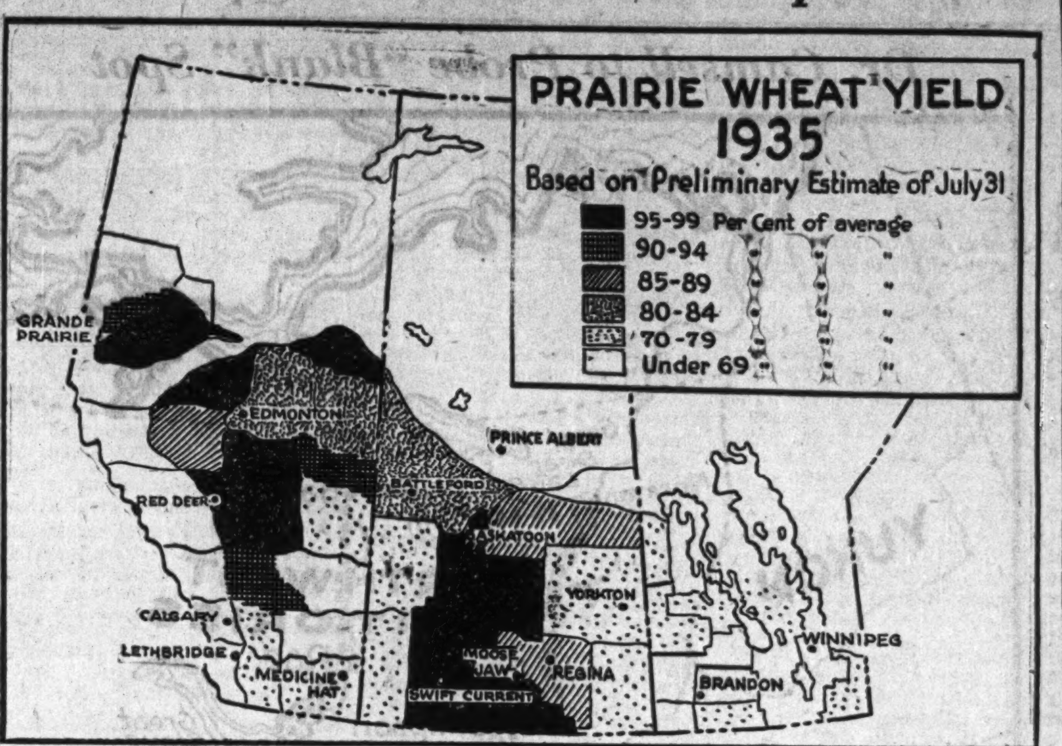
**May Force Corner**

**From Our Own Correspondent**

WINNIPEG.—Ottawa reported recently that the plan of the Canadian Government Agency under the management of John I. McFarland, to acquire possession of every bushel of Canadian wheat was to be modified and that country elevators instead of being called on to deliver all their stocks on their August futures contracts were to have their contracts switched into October at a carrying charge of one and three quarter cents a bushel.

That announcement was taken as indicating that the government had decided to allow futures trading to continue. But it now appears to have been premature and to have been rather an indication of what the new board was expected to do if and when appointed than an indication of what was to be arranged immediately. There still seems to be a possibility that the present agency may attempt to enforce its corner in August wheat to the limit, and use it to make all grain trading agencies surrender the grain in their possession on terms dictated to them.

# *Rust Whitens Wheat Map*




Prevalence of rust damage in Manitoba and Saskatchewan is shown in the above map, prepared by The Financial Post from reports of the Dominion Bureau of Statistics. In comparison with previous reports, Manitoba appears particularly barren, and latest reports there indicate production below last year. Affected areas in Saskatchewan are fairly well confined to the borders; a fine crop is anticipated in the central strip of some six and one half million acres.

In spite of the havoc created in late weeks, the crop showed considerably more promise at July 31 than at the same time a year ago.

# SHORT HARD CROP MAY FORCE STATES TO IMPORT WHEAT

## Fate of Processing Tax May Affect Possible Imports from Canada

**From Our Own Correspondent**

WINNIPEG.—Will United States mills grind Canadian wheat for consumption in the United States this year? There appears to be a fair possibility of some such business. Some Canadian wheat is now being held in bond at Buffalo by interests which may before long be releasing it and paying the duty of 42 cents a bushel. The short American crop produced this year does not fall very far below the total yearly wheat requirements of the United States and the carryover ensures the country against any actual shortage. But much of the country's stock is made up of soft wheats of various types, and the total supply of high grade, hard, wheat is less than the usual quantity milled for home use, when requirements for seed and a reasonable carryover are considered.

**Prefer Higher Grade**

The United States has a decided preference, based both on consumers' tastes and on baking consumption, for flour of the highest quality, and the degree to which flour buyers will be satisfied with poorer grade flour is doubtful. The question of imports will not be settled on any theoretical basis of the country's needs, but rather on the test of the market. Whenever conditions force Kansas hard red winter wheat prices, or those for dark northern spring wheat at Minneapolis to the level that will make importation of Canadian wheat profitable, some will undoubtedly be taken.

It may be that the poorer qualities of shrunken spring wheat will be at such a discount as compared with high grade wheat that much of it will not be offered for sale to millers, but instead will be fed to livestock. But if the price for good wheat is high enough to permit the use of quantities from Canada, in spite of the duty, much of this inferior wheat will probably be forced into milling use.

**Effect of Tax**

The fate of the processing tax on wheat which is now before the courts of the United States, with a final decision from the Supreme Court probably some months off, may have an important effect. That tax puts an extra cost of 30 cents on every bushel of wheat milled. So Canadian wheat at 78 cents on this side of the line would cost the bread consumer in the United States the equivalent of $1.50 per bushel, which is perhaps as high as the cost of flour can get without causing an important switch to other foods. But take off the processing tax, as the courts may do, and the theoretical upper limit of wheat prices is at once raised without increasing costs to the consumer.

The processing tax has another effect, in causing millers to discriminate against low quality wheat, on which they must pay just as high a processing tax, in favor of the highest grade wheat. On the latter the tax per bushel is the same, but the real cost, on account of more and better flour produced, is actually less.

Prices quoted at Buffalo on spring wheat from northwestern states have already been practically on a par with the cost of imported Canadian wheat, duty paid. But that situation prevailed only for a few days at the end of July when there was a temporary squeeze in supplies of old crop wheat, and the Buffalo millers, although making sure they had control of some Canadian wheat in bond, in case it should be required, took practically none of it out.

# Wheat Crop Off Sixteen Per Cent In Month of July

The excellent promise of the western wheat crop earlier in the year has been seriously reduced by rust, drought and hail, says a crop report of the Dominion Bureau of Statistics, but there is still hope for a moderate increase over the 1934 production of 263.8 bushels. The bureau estimates deterioration of spring wheat during July at about 16 per cent. In August, rust infection has continued to damage crops in Manitoba and the eastern third of Saskatchewan. The extent of this damage will not be known until threshing time.

Rust damage has been particularly widespread in Manitoba, where every district was lowered in condition during July. The provincial average fell nearly 40 per cent during the month. At the end of June, Manitoba crop prospects were almost 29 per cent above the 1934 figures; at July 31 the outlook was less favorable than last year. In Saskatchewan the index of condition declined from 97 to 85 in the month, but still shows a material improvement of 60 per cent over conditions at the end of July a year ago. While no rust was reported in Alberta, drought and hail lowered prospects by about 13 per cent and left only a slightly better prospect than last year.

While lesser declines were encountered by oats, barley, flaxseed and spring rye, most crops promise near-average yields and all crops showed considerably more promise at the end of July than at the same time in 1934.

# LOWER QUALITY CANADIAN WHEAT MAY AID EXPORTS

## Brightens Prospects in Chinese Market — Effect of Price Differentials

**From Our Own Correspondent**

WINNIPEG.—The grading of the Canadian crop this year will possibly have an important effect in increasing the volume of Canadian exports, paradoxical as it may seem to say that lower quality may be an influence in that direction. But the lower quality, because of its lower price, may result in Canadian wheat being sold in markets where higher grade wheat could not be sold.

The Oriental market is a case in point. The only wheat China ever takes in large quantity from Canada is low grade, and the only Canadian flour ever sold there to any extent is flour made from such wheat. That is not because the Chinese do not value good flour, or even because they can only afford to pay for the cheapest food; it is a matter of comparative costs. We have in ordinary years, little chance of displacing Australian wheat.

**Freight Costs Important**

The reason is that Canadian wheat and Australian wheat reach some sort of parity on the Liverpool market, and the Australian price is then the Liverpool price less freight. But it costs considerably less to ship Australian wheat to Shanghai than to Liverpool, and if we were to get our prices down low enough to displace Australian wheat there, we should have to be underselling it by a fairly wide margin in Liverpool. That sometimes happens, but only when soft white wheat is scarce compared to hard red wheat.

Our lower grade can undersell Australian wheat in China without disturbing the price structure between high grade Australian and high grade Canadian wheat in Liverpool. Whenever we have any considerable quantity of low grade wheat it is likely to do that as the Chinese value the high gluten content of Canadian wheat and flour.

**Price Differentials**

This year there will be considerable quantities of No. 3 Northern wheat, for the first time in several years, as well as a good deal of No. 1 and No. 2 Garnet grades which will be on the market for the first time. These may be offered at prices which will be competitive with Argentine wheat, at the same time that No. 1 and No. 2 Northern are selling at premium prices.

During the past two crop years the country has had practically nothing to sell except No. 1 Northern and No. 2 Northern wheat, and when it was held at prices which made sales difficult there was little opportunity to sell other grades. The sales which were made out of Vancouver give some inkling of the effect of differentials in price. Although sales from eastern Canadian ports were cut to one half of what they had been the previous year, Vancouver was able to export practically the same quantity of wheat. That was because the price stabilization operations of the government agency were conducted in the futures market at Winnipeg.

# Farm Factors

## Agricultural Trends Affecting Business and Finance

**Buying Power Gains**

REPORTS from rural points throughout Canada are continuing to emphasize the better purchasing power of the Canadian farmer. This is particularly true of eastern Canada where production is spread over a large number of items and as a result money is coming in throughout every week of the year. Already the hardware trade reports the best summer business so far since 1929. Implement manufacturers say the same thing. Provided present prices for farm products are maintained and the present expectations of excellent harvests in most sections of Canada are fulfilled, this purchasing power will continue.

For five years our farmers have been going without a great many things that they would normally have bought. But with the prospect of much better returns, they are again coming into the market. At first, naturally, this demand will be confined largely to the necessary equipment purchases used in their business such as agricultural implements, farm and field equipment, but later some luxury type of demand should also develop as well as a desire for capital goods which go into new or renovated buildings.

• • •

**Good Timing**

PREMIER HEPBURN'S somewhat drastic move of cutting off relief for unemployed single men was almost perfectly timed from an agricultural standpoint in Ontario. Farmers throughout the rural districts are in the midst of harvesting a very large crop and uncertain weather makes that harvesting a difficult task without ample supplies of labor. This labor on account of economic reasons they have had to do without to a great extent in the last few years. But the promise of better prices at the time makes hiring more feasible.

## Key Facts About Wheat

| | Week bu. | Prev. Week bu. | Same Wk. Prev. Year bu. |
|---|---|---|---|
| **Canadian Wheat in Store:** | | | |
| Fort William (Aug. 9) | 62,848,718 | 71,457,981 | 57,005,029 |
| Country elevators (July 31) | 47,202,128 | 49,633,339 | 63,461,930 |
| Total (all points), (July 31) | 197,296,515 | 192,215,088 | 187,440,259 |
| **World Shipments (incl. flour) Aug. 10:** | | | |
| North American | ........ | ........ | ........ |
| Argentine | 3,000,000 | 1,500,000 | 6,000,000 |
| Australian | 1,000,000 | 1,466,000 | 826,000 |
| Black Sea | ........ | ........ | ........ |
| Total (world) | 6,345,000 | 6,238,000 | 11,712,000 |
| **Country Marketings and Exports:†** | | | |
| Canadian exports (July 31) | 1,253,886 | 1,722,231 | 2,485,981 |
| Cum. to July 31 (52 weeks) | 117,992,625 | 116,738,739 | 153,304,933 |
| Country marketings (July 31) | 2,616,541 | 1,942,017 | 953,951 |
| Cum. to July 31 (52 weeks) | 229,749,310 | 225,190,752 | 227,631,265 |
| Country deliveries (Aug. 9)‡ | 1,037,000 | 2,860,000 | 2,022,000 |
| Country loadings (Aug. 9)‡ | 2,552,000 | 2,952,000 | 1,974,000 |

†Excluding flour. ‡Sanford Evans Weekly Report.

## Winnipeg Grain Prices

Week to August 13, 1935

| Crop year from Aug. 1, 1935 High | Low | | Open Aug. 7 | High for week | Low for week | Close Aug. 13 |
|---|---|---|---|---|---|---|
| | | **Wheat** | | | | |
| .86⅝ | .81 | Aug. | .84⅝ | .85¼ | .81 | .81⅝ |
| | | **Oats** | | | | |
| .35½ | .31⅞ | Oct. | .32½ | .34⅜ | .31⅞ | .32¼ |
| .33⅛ | .30 | Dec. | .32¼ | .32½ | .30 | .30⅛ |
| | | **Barley** | | | | |
| .37⅞ | .33¼ | Oct. | .34⅜ | .35¼ | .33½ | .33⅞ |
| .36½ | .33⅜ | Dec. | .35⅛ | .36 | .33⅝ | .34⅛ |
| | | **Flax** | | | | |
| 1.31 | 1.21¼ | Oct. | 1.23 | 1.25½ | 1.21½ | 1.22 |
| 1.29¼ | 1.19⅜ | Dec. | 1.23 | 1.23½ | 1.19⅜ | 1.20 |
| | | **Rye** | | | | |
| .42¼ | .36¾ | Oct. | .39¼ | .41 | .36¾ | .37⅛ |
| .43⅞ | .38½ | Dec. | .41 | .42⅝ | .38½ | .38⅝ |

# Hail Severely Damages Norfolk Tobacco Crop

Hail has desolated a portion of the crops of Norfolk's tobacco growers. A storm, which growers claim was the worst ever to visit the district, left few farms with crops worth harvesting in the area south of Vittoria facing Lake Erie. Prospects had been the best in some years.

The central and northern districts were unaffected by the storm. Insurance will barely cover growing costs, it is estimated.

# Estimate U. S. Cotton At 11.8 Million Bales

This year's cotton crop in the United States will amount to 11.8 million bales, according to an estimate of the Department of Agriculture. This represents an increase of more than 2 million bales over last year.

## Wheat Prices

(Cash Quotations)

| | Aver. for week Aug. 3 $ | Previous week $ |
|---|---|---|
| **At Winnipeg:** | | |
| No. 1 Man. Hard | 0.848 | 0.823 |
| No. 1 Northern | 0.848 | 0.823 |
| No. 2 Northern | 0.818 | 0.793 |
| No. 3 Northern | 0.768 | 0.743 |
| No. 4 Northern | 0.709 | 0.677 |
| No. 5 Wheat | 0.654 | 0.618 |
| No. 6 Wheat | 0.655 | 0.612 |
| Feed Wheat | 0.608 | 0.570 |
| **At Vancouver:** | | |
| No. 1 Northern | 0.821 | 0.793 |
| **At Toronto:** | | |
| Milling Wheat* | 0.58 | 0.58 |

Competitive Export Prices: (August) shipment:

| | High Week to Aug. 9 $ | Low $ |
|---|---|---|
| No. 1 North. (Vanc.) | 0.96⅝ | 0.96 |
| No. 2 North. (Atlan.) | 0.96½ | 0.95¼ |
| No. 3 North. (Vanc.) | Unquoted | |
| Argentine Rosafe | 0.79 | 0.74⅜ |
| Do., Barusso | 0.76 | 0.73 |
| Australian | 0.82¼ | 0.80⅝ |
| West Australian | 0.83⅝ | 0.83⅜ |
| French | 0.30⅝ | 0.86⅛ |

*New crop.

ESTD 1857

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WINNIPEG AND TORONTO
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# News of Canadian Mining Investments

## The Week in Mining

**Gold Bearing Logs**

THAT "gold is where you find it" has long been an axiom in the mining industry.

This much overworked phrase has been used by some to support the view that many a good prospector has been spoiled by teaching him some geology. However true that may be (and it is a futile argument at best), the fact remains that gold is most assuredly where you find it, even if it be in the log of what once was a tree.

* * *

**"Petrified" Gold**

GOLD in Petrified Wood" is the title of an article appearing in the current issue of Mining and Metallurgy, official organ of the American Institute of Mining & Metallurgy. The author is no less an authority than Walter S. Palmer, head of the department of metallurgy at the Mackay School of Mines. The discoveries are located in the Aspen district of Churchill County, Nevada, at the eastern end of the Broken Hill Range. In this part of the district the formation is chiefly volcanic tuff cut by dykes of andesite and overlain by basalt in certain parts. Some zones are highly silicified, owing to hot water action.

* * *

**Found Near Surface**

Petrified wood has been found over an area of about 500 yards square but only a small part of this area contains logs carrying gold. The logs are found practically at the surface and are lying in all positions, from upright to prone. They are found by tracing float pieces of the petrified wood, and then looking for discoloration at the surface, the tuff being quite light colored, whereas the freshly exposed wood is very black owing to the carbon which it contains.

* * *

**18 Ounces Per Ton**

SOME logs up to four feet in diameter have been found and mined. About 15 gold bearing logs have been found. Thirteen of these have been "mined," and either milled or screened, or sacked for shipment. In the hole where the richest log was found, the log has been followed for a depth of about 15 ft. and portions of the log are still to be found in the sidewall of the shaft near the bottom of the shaft. A sample of the log still remaining was taken and showed an assaying of 18.26 ounces gold to the ton, and 10.8 ounces of silver per ton. This was the richest material sampled. Gold is readily observed under a microscope in some of the material from this log.

Sufficient tonnage is not indicated to warrant development for gold in the old logs, but they may be worth further development for their value as specimens of unusual gold occurrences, in the event that somebody some day expresses doubt that "gold is where you find it."

* * *

**Market Poor**

WHILE price action in recent sessions on the mining section of the Toronto Stock Exchange has been irregular, the downward trend continues. As a result volume of transactions remains small.

Bullish sentiment is entirely lacking so far as the rank and file of investors is concerned and professional sentiment suggests caution. In some quarters, however, the golds are considered excellent buys at present price levels. Current earnings ratios are favorable.

Price declines in the senior gold group have been narrow. Turnover has been small, few investors being willing to sacrifice their holdings at present levels.

The secondary gold issues have been the most active on the board and under liquidation have moved to lower levels. Price action from day to day has been erratic. McMillan, reflecting unfavorable market sentiment as a result of the company's six months report, touched a new low for the year of 7¼ cents.

* * *

**Index to Mining Stocks**

FOR eight consecutive weeks, the 23 mining stocks index continuously declined, registering 116.6 for the week ending August 8, as compared with 117.8 for the preceding week. This index was the lowest reached in 1935. For the same period last year 138.0 was the index recorded.

The gold group index followed a similar movement and dropped from 109.2 for the week of August 1 to 107.8 for the week ending August 8. For the corresponding week in 1934, this index was 134.7.

Four base metal issues showed practically no change, declining from 154.8 for the week ending August 1, to 154.3 for the week of August 8. This index compares with 156.8 for the week ending August 9, 1934.

### Hear "Outside" Company May Enter Nickel Field

**From Our Own Correspondent**

SUDBURY.—Gold is not the only metal that is being eagerly sought these days. While every detail of negotiations is being carefully guarded, it is stated in Sudbury that outside interests are about ready to enter this field and undertake development of nickel prospects that are not controlled by the International or Falconbridge Nickel Co. The substantial recovery of the nickel industry and the indications of enlarged demand for the metal in the future, are said to be behind the interest shown by influential mining men in a project to develop some of the likely and idle properties in the area. It is stated that engineers for the prospective purchasers will be on the ground next month.

## INTER. NICKEL PROFITS JUMP 2ND QUARTER

### Working Capital of $46 Millions Strongest in History

### REDEEM DEBENTURES

### Net Profit of 34 Cents Per Share Highest Since Third Quarter of 1929

With earnings in the three months ended June 30 at the highest level in any three-month period since the third quarter of 1929 and with the balance sheet at the end of June showing the strongest working capital position in the company's history, International Nickel continues to maintain its position as Canada's leading mining and metallurgical enterprise.

Net profit of 34 cents per share for the three months ended June 30 is shown by the company's regular quarterly report. This brings net profit for the first six months of the year to 64 cents per share. Profits in the first quarter of the year were equivalent to 30 cents per share and in the first six months of 1934 to 62 cents per share. (For further details see under company reports, page 15).

**Improved Sales**

The increase of $650,000 in earnings of the company in the second quarter of the year reflects continued improvement in sales of the company's products. Nickel sales in the current year have been even higher than the peak level of 1934 as a result of further increase in industrial demand. There has also been some demand for armament purposes. Robert Stanley, president, in an accompanying letter to shareholders, points out, however, that "more nickel is currently going into numerous fields of peace time activities than ever went into the world's battlefields."

As has been pointed out in these columns, the comeback staged by International Nickel Co. from the lean years of the depression is the most remarkable in the Canadian mineral industry. As late as 1932 the company's operations showed a net loss of $135,345, but since that time demand for the company's products has shown such rapid expansion that in 1934 International Nickel's production was at the highest level in its history. Indications are that 1935 will surpass last year's peak.

**Use of Nickel**

In recent years the industrial uses of nickel have shown steady increase largely as a result of technical research on the part of the company. Since the war a significant change has taken place in the nickel industry, Mr. Stanley points out in his statement to shareholders, and until this is recognized by the general public the repeated charge that International Nickel is trafficking in war material will continue to be heard.

"The alloy age had its inception in the world war," Mr. Stanley continues, "and thus nickel, as a useful alloying element, became associated in the public mind with munitions. With the passing of years this alloy age has become linked with the progress which is being made in transportation, communication and industry at large, and nickel continues in its rôle as one of the most useful of alloying elements."

**Working Capital Strong**

Current assets as at June 30 exceed current liabilities by the largest figure in the history of the company, working capital amounting to $46,291,188 as compared with $40,172,901 at the end of 1934. Current assets total $52,656,957. Cash on hand alone totals $23,616,684, government securities $2,830,806 and inventories $21,127,099.

Cash on hand, however, was reduced by approximately $5 millions on August 1 through the redemption of the outstanding 5½ per cent mortgage debenture stock of the Mond Nickel Co., a British subsidiary. This wipes out the company's bonded indebtedness and leaves the preferred stock as the company's senior security. The position of the common stock is greatly enhanced by this redemption.

**Ontario Refineries Wholly-Owned**

The balance sheet as at June 30 also shows that the Ontario Refining Co. at Copper Cliff is now a wholly-owned subsidiary of International Nickel. During 1934 the company increased its interest in Ontario Refineries from 67.9 to 90 per cent. On June 18 the company acquired the remaining 10 per cent minority interest from The American Metal Co. of Canada.

**Mond Nickel Expands**

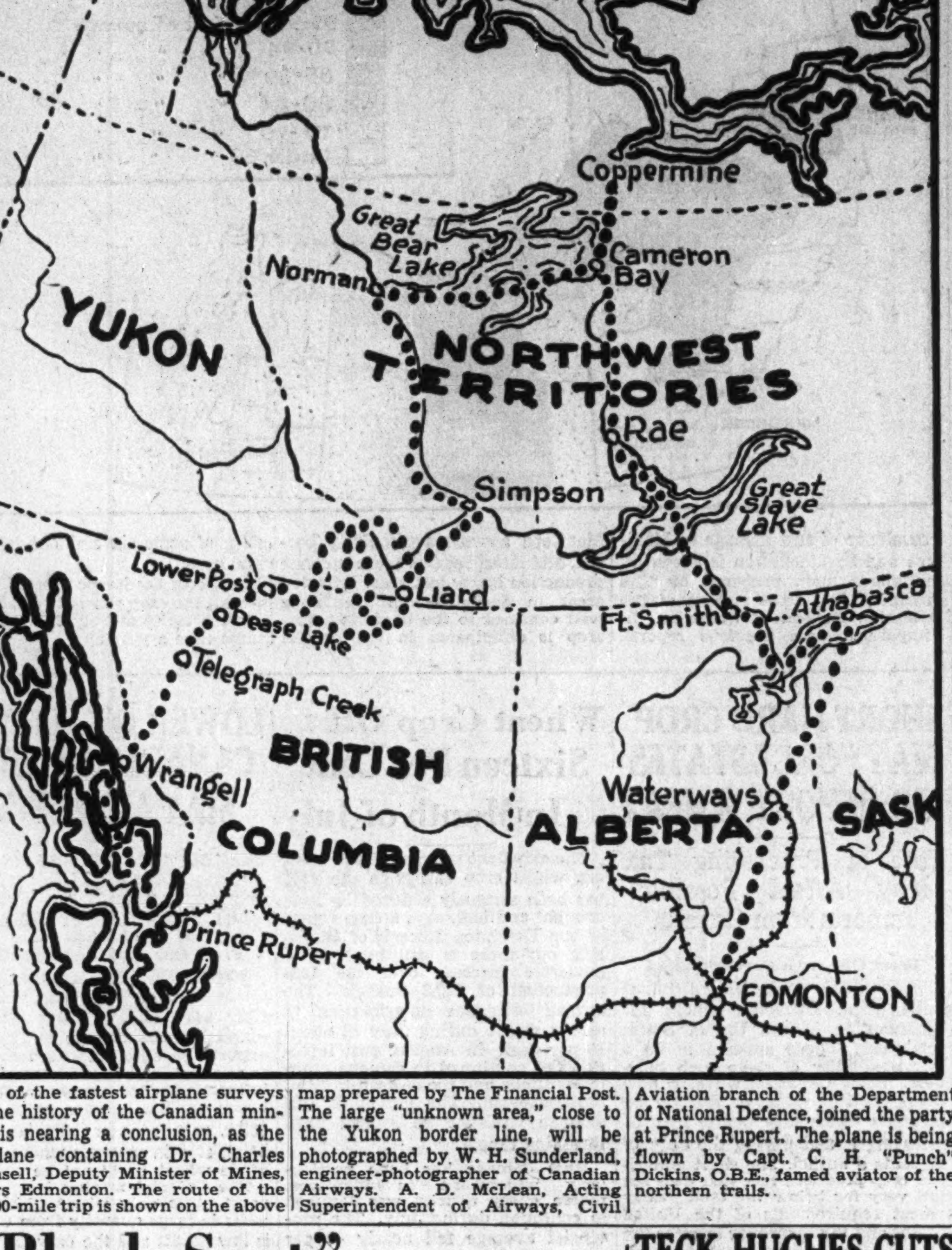
Official announcement has also been made that an expenditure of £150,000 will be made by the company's subsidiary, Mond Nickel Co., on its refining plant at Clydach, Wales. The plant is to be doubled in capacity. The expenditure will be made within the next six months.

### Macassa Recovery Increases Slightly

July production at Macassa Mines is valued at $87,315, from the milling of 5,489 tons of ore, indicating recovery for the month of $15.91 per ton. This compares with output of $84,194 in June from the treatment of 5,742 tons, and recovery of $14.66 per ton.

While the long crosscut driven to test conditions in the western part of the property has, it is understood given inconclusive results, development on the new lower levels around the main workings are reported to be giving favorable indications.

## Dr. Camsell to Probe "Blank" Spot




One of the fastest airplane surveys in the history of the Canadian mining is nearing a conclusion, as the airplane containing Dr. Charles Camsell, Deputy Minister of Mines, nears Edmonton. The route of the 10,000-mile trip is shown on the above map prepared by The Financial Post. The large "unknown area," close to the Yukon border line, will be photographed by W. H. Sunderland, engineer-photographer of Canadian Airways. A. D. McLean, Acting Superintendent of Airways, Civil Aviation branch of the Department of National Defence, joined the party at Prince Rupert. The plane is being flown by Capt. C. H. "Punch" Dickins, O.B.E., famed aviator of the northern trails.

## "Blank Spot" —

### Tropical Valleys, Mountain Goats and Minerals Objective of Dr. Camsell's Sensational Flight

Canada's deputy minister of Mines, Dr. Charles Camsell, has returned to the place of his birth in one of the most remote parts of Canada, in a manner so modern as to fairly take the breath away.

At the time of writing, Dr. Camsell; and party, are winging their way back to Edmonton Alta., after a 10,000 mile inspection tour made in connection with the million dollar programme of geological surveys and investigations now being carried on in eight provinces, the Northwest Territories, and the Yukon. The route of Dr. Camsell's sensational trip is shown on the accompanying map.

Born at Fort Liard, and, in his early days, a pioneer of exploration in the Northwest Territories and the Yukon, Dr. Camsell is now to make further contribution to the knowledge of the remote sections of the Dominion, and will blaze new sky lanes across an unknown area of 25,000 and 30,000 square miles.

**Visits Beaverlodge**

Dr. Camsell is visiting several areas where parties are engaged in the search for formations favorable to prospecting for gold. During the airplane part of his trip he is contacting field staffs in the Cassiar area of northern British Columbia; in the Yellowknife River area, north of Great Slave Lake, N.W.T.; and in the Beaverlodge area, north of Lake Athabaska. The radium and silver area at Great Bear Lake will also be visited. In the Beaverlodge locality, the development of mining properties is proceeding on a broad and active scale following the discovery of gold occurrences there late last year.

While he is in the far north Dr. Camsell will look into several matters upon which he will report to the Council of the Northwest Territories.

From Vancouver the Deputy Minister of Mines proceeded by boat to Prince Rupert where he was joined by A. D. McLean, Acting Superintendent of Airways, Civil Aviation branch of the Department of National Defence. The party is being flown by Captain C. H. "Punch" Dickins, O.B.E., famed aviator of the northern trails, in a Canadian Airways plane. A fourth member of the party is Engineer-photographer W. H. Sunderland of Canadian Airways who is attached for the purpose of taking aerial photographs along portions of the route.

**Seek "Tropical Valley"**

Not only are new air routes being blazed across some hitherto unflown sections of Northern Canada but the party flew over and photographed one of the largest "unknown" areas of the continental portion of the Dominion. The area lies along the Yukon-Northwest Territories boundary and is most largely in the Yukon. It is immediately north of the region in British Columbia where the existence of hot springs has given rise to stories concerning a tropical valley. Dr. Camsell himself camped in one of the "hot spring" valleys as long ago as 1898.

Whether the unknown territory contains hot springs, is mountainous or plateau country, are some of the questions that the party would like to answer. Interest in mineral possibilities arises from the known occurrences of placer gold on the Nahanni and Flat rivers to the east and on the tributaries of the Liard to the south and west. Biologists are interested in the area from the point of view of the range and characters of the mountain goat and the mountain sheep. The forest flora is another subject on which information is needed by officials concerned with the national survey of Canada's timber resources.

**Where is Yukon Border?**

A pressing need for physiographic information concerning the southeastern Yukon arises from the near completion of a large-scale relief map of the Dominion which has been in course of preparation for several years by the Geological Survey of Canada. Emphasizing the unknown character of the country is the way the cartographers of existing maps have drawn sweeping curves to represent the Yukon-Northwest Territories boundary when, actually, the boundary must be sinuous since it follows the divide between drainage to the upper reaches of the Liard river and the Nahanni river. Except that they flow into the Liard river, the Beaver and Coal rivers are unknown.

The party will endeavor to circle the unknown tracts on the Beaver and Coal rivers and will sweep the horizon with long-range oblique photographs thus bringing back useful information for plotting and completing the relief map of Canada. In his air journeyings over mountainous and unexplored country, Dr. Camsell took with him an instrument which he much prizes, a compass presented to him by Sir Francis Younghusband and which was used by that famous explorer on his journeys in Tibet.

## TECK-HUGHES CUTS CAPACITY OF MILL SHIPS TO LAMAQUE

### Capacity at Kirkland Lake Reduced to 900 Tons Daily

Teck-Hughes Gold Mines, at Kirkland Lake, are preparing milling unit number 7, with a capacity of 150 tons for immediate shipment to its subsidiary in Quebec, Lamaque Gold Mines, The Financial Post learns on good authority.

When this unit leaves the Kirkland Lake property, the full capacity at the parent property will have been reduced to 900 tons daily, as compared with a daily milling capacity of 1,300 tons daily at the time of the last annual report, in August of 1934.

While operations at the parent property are being thus curtailed, ambitious plans are under way at Lamaque, where a full dress townsite is under construction. It is planned to double the present daily capacity of the mill from 250 tons daily. Work has started on the new steel ore bin in the plant, The Financial Post understands, and foundations are ready for the delivery of materials for the agitator and thickner tanks.

Sinking of the main three compartment shaft is proceeding below the 825-ft. level.

## Coal Mining Industry Emerges From "Red"

The Canadian coal mining industry last year heaved itself out of the red.

For the first time in years, the industry as a whole ended the year 1934 with a small net profit, climaxing a steady reduction in deficits since 1933, despite an equally steady decline in average coal prices.

In 1934, an analysis recently made by the Dominion Fuel Board shows the average realization for Canada as a whole rose, due to the fact that more of the higher-priced coal was sold by comparison with the cheaper coals.

The data used by the fuel board represent for 1934 almost 94 per cent of the total coal production of Canada. The unrepresented tonnage is covered as to 2.5 per cent by strip mine production and the balance chiefly by small seasonal producers.

In a comprehensive chart prepared by the board, showing distribution of operating costs and revenues in the various provinces, it is noticeable that the industry, in achieving this progress, has not cut into the labor costs, which have remained, as a percentage of the total costs, at about the same level during the four year.

Perhaps the most striking recovery among the provinces has been made by Nova Scotia, as shown in the accompanying series of charts, which are based on per ton averages. With the exception of New Brunswick and Saskatchewan, striking gains have been recorded in all of Canada's coal producing provinces. The following tabulation, prepared by the Dominion Fuel Board, shows the distribution of operating costs for Canada on a percentage basis for the period 1931 to 1934 inclusive:

**Operating Costs**
% of total costs

| | 1931 | 1932 | 1933 | 1934 |
|---|---|---|---|---|
| Distribution .... | 7.3 | 7.0 | 8.9 | 10.1 |
| Workmen's Comp. | 2.0 | 1.9 | 2.0 | 1.7 |
| Rent & Royalties | 2.7 | 2.9 | 3.1 | 2.8 |
| Insur. & taxes ... | 2.0 | 2.4 | 2.2 | 2.3 |
| Adminis. and Misc. | 6.9 | 7.0 | 5.8 | 4.8 |
| Bd. & Gen. Int. | 2.7 | 3.2 | 3.1 | 2.3 |
| Power ............ | 6.1 | 6.2 | 6.4 | 6.2 |
| Deple. & Deprec. | 7.8 | 8.0 | 8.1 | 7.0 |
| Stores ........... | 11.0 | 10.5 | 9.2 | 11.0 |
| Labor ............ | 51.5 | 50.9 | 51.2 | 51.8 |
| Profit—Loss as per cent of oper. costs .......... | —5.1 | —3.2 | —2.5 | +0.3 |

## NEWMONT'S DEAL WITH SLADEN MAL. NOT YET CLOSED

### Big Concern May Get Control of Quebec Prospect

Despite reports published elsewhere, to the effect that the deal whereby Newmont Mining Corp. big international mining organization, would take over control of Sladen Malartic Mines Ltd. had been closed. The Financial Post is informed by John B. Mulvey, vice-president and secretary of Sladen-Malartic, that negotiations are still pending, and the agreement has not yet been closed. Negotiations are still, he states, on an "if, as and when" basis.

While details of the proposed deal are being withheld pending a definite conclusion, The Financial Post understands that it would give Newmont operating control of Sladen Malartic, and would involve all treasury and vendor stock in that company, with the exception of about 60,000 shares.

Sladen Malartic is capitalized at 3.5 million shares, par value $1 of which about 2 million shares have been issued. The property adjoins that of Canadian Malartic. Recent drilling is reported to have given encouraging results, the management feeling that they have definitely proved up the easterly extension of the Canadian Malartic ore zone.

## McMILLAN'S LIFE DEPENDS ON DEPTH ENGINEER REPORTS

### No New Ore Found Above 625-ft. Level at Mine

**From Our Own Correspondent**

SUDBURY.—No new ore has been placed in sight since December 31, 1934; the visible tonnage is steadily being diminished, and a recommendation by Jas. G. MacGregor, consulting engineer, that sinking to the 825-ft. level be commenced without delay in search of additional ore, are the highlights in a special report issued by McMillan Gold Mines to its shareholders this week. "Much depends on the results secured in this work," states Mr. MacGregor, referring to the deeper exploration, "and the writer feels it proper to point out to the board that should the hoped-for improvement in grade not eventuate, the mine's future will become exceedingly dubious."

A special meeting of McMillan shareholders has been called for Friday, August 23, at 11 a.m., in the Nickel Range Hotel, Sudbury, to confirm the by-law authorizing the sale of the 1,000,000 shares by which the capital was recently increased, and to ratify the by-law by which the company will allot to the creditors 554,011 shares of capital stock in settlement of the debts of the company, amounting to $221,407.

A financial report shows that for the six months ended June 30, 1935, the company earned a net profit, before depreciation or depletion charges or provision for taxes, amounting to $29,911. Bullion produced was valued at $163,852. Bullion marketing expense was $2,807, mining costs $71,204; milling costs $36,631; mine exploration and development, $10,231; general and administrative expenses, $9,410; miscellaneous expenses, $4,154. Interest earned was $497.

Current assets as at June 30 were reported at $63,867, with current liabilities $10,586. The assets include cash on hand and in bank $17,737, and bullion on hand $20,580.

In his report, Mr. MacGregor states that during the six months 17,761 tons were treated, bullion shipped totalled $163,851.58, and percentage recovery was 95.75.

"While the surface and underground exploratory drilling campaign failed to disclose the presence of new ore bodies, as hoped, the writer would state that the result need not be interpreted as eliminating the possibility of their existence," says the Engineer's Review. "The scope of the exploration work undertaken was comparatively limited; and, as excellent structural conditions were brought to light, the writer maintains the opinion that ore bodies will yet be discovered in the course of future work.

"The immediate future of the mine depends largely on the re-occurrence of favorable ore conditions below the 625-ft. level. It will be recalled that in the last annual report the writer stated that 'C' ore body—the mine's largest source of ore—had bottomed below the 325-ft. level, the grade on the fourth and fifth levels becoming marginal. It was pointed out, however, that the grade on the 625-ft. level showed a distinct improvement, and the possibility was suggested that horizon represented the apex of a deeper-seated ore body. The results secured in the diamond drilling below the 625-ft. level lend support to this belief, as a re-occurrence of the favorable diabase structure was noted. The diabase dyke, at the contact of which the best ore occurred on the upper levels, pinched out—concomitantly with the ore—below the 325-ft. level, and it is therefore a promising sign that it is re-occurring at a deeper horizon."

President Geo. M. Miller in his report, points out that when the 554,011 shares of stock are issued to shareholder creditors to retire the debts amounting to $221,406.80, the company will be out of debt with the exception of current operating payroll and invoices, and there will remain in the treasury 448,926 shares of stock.

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### More Pitchblende At Athabaska Lake

**From Our Own Correspondent**

REGINA. — Reports from Athabaska field reveal discovery of further pitchblende on the northeast shore. The first discovery was reported by the Mineral Belt Locaters Syndicate four miles east of Beaverlodge. Now comes a report from Murmac properties several miles west of the original discovery. The extent of the discovery is not yet known. Samples have been forwarded to the Department of Natural Resources, Regina.

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## MURWOOD AGENTS EXPRESS SURPRISE AT ACTION OF SEC

### U. S. Officials State Registration of Company Suspended

The Securities and Exchange Commission have handed out still another surprise to Canadian mining men in suddenly announcing that a stop order had been issued suspending the effectiveness of registration statements filed under the Securities Act of 1933 by Murwood Gold Mines, of Toronto, despite the fact that, according to officials of the company, it was decided not to go ahead with the offering in United States as long ago as last May.

The reason advanced by S.E.C. for this action is that the registration statement in the opinion of the commission, contains "untrue and misleading statements and omitted to state material facts."

**No Counsel at Hearing**

This statement, coming some four months after Murwood Gold Mines and its fiscal agents, H. R. Bain & Co. had decided not to go ahead with the registration, came as a surprise to officials of both concerns. Dana Porter, of the firm of Fennell Porter & Davis, solicitors for the company, explained to The Financial Post that shortly after application for registration with S.E.C. had been made, it was decided not to go through with the offering in United States, and the project was abandoned. This was some time in June or earlier. Under the regulations of S.E.C. a trial examination was then necessary on the part of Commission officials to deal with suspending the registration. Not wishing to go through with the offering, the Canadian company did not send counsel, and was unrepresented at the hearing.

If they had intended to follow the application through, the company would have seen to it that the necessary information was supplied the Commission, Mr. Porter explained.

The incident recalls a similar case last year, when the S.E.C. issued a bulletin stating that a Canadian company had been forbidden to sell stock in a certain state, because it had failed to supply adequate information. While the tone of the bulletin gave the Canadian mining company a decided black eye in U.S., it developed that the facts were as follows: the Canadian company had originally intended to sell stock in that state, and had made application, which was granted. Circumstances having to do with the market situation led officials to alter their plans before any stock had been sold. The Commission, as a matter of routine, sent a printed questionnaire to the company's head office after some months. The company officials, not wishing to sell any stock at that time, did not bother to fill in the questionnaire, and the charge of withholding vital information was thereupon laid.

**Primo Silver Cobalt Mining Co. Ltd.**, has made an assignment of its assets. T. H. R. Brock, of Kitchener, has been appointed custodian. Papers filed at Osgoode Hall show liabilities of $25,285. Assets include $5 cash and real estate at $25,000, representing mining land in Coleman twp., Cobalt area.

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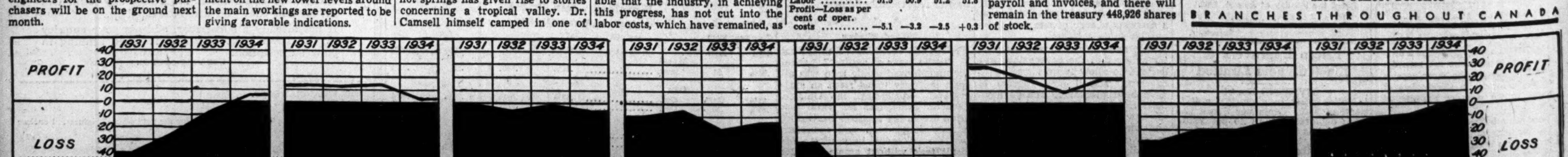



NOVA SCOTIA NEW BRUNSWICK SASKATCHEWAN ALBERTA LIGNITES ALBERTA SUB. BIT. ALBERTA BIT. BRITISH COLUMBIA CANADA

# Mining Reports

## Quebec Gold Belt

Working capital of Quebec Gold Belt Mines at May 31 last amounted to $6,394, the balance sheet of the company as at that date shows. Current assets totalled $7,417 and current liabilities $1,023.

Expenditures in the 17 months ended May 31 totalled $3,696 from which was deducted interest and exchange of $331. This brings the deficit account total to $5,333.

The company's only asset other than cash on hand consists of 932,410 shares of Vicour Gold Mines, carried in the balance sheet at a valuation of $212,747.

**Deficit Account**

| | Dec. 20, 1932 to Dec. 31, 1933 $ | 17 Months to May 31, 1935 $ |
|---|---|---|
| Travelling exps. | 747 | 873 |
| Commission | 100 | 2,000 |
| Rent | 53 | 15 |
| Advertising | 106 | ... |
| Legal expense | 894 | 572 |
| Office expense | 94 | 43 |
| Tele. & telephone | 20 | 147 |
| Stationery | 58 | 7 |
| Exchange | 64 | 39 |
| | 2,136 | 3,696 |
| Less: Int. & exch. | 168 | 331 |
| | 1,968 | 3,365 |
| Previous deficit | ... | 1,968 |
| Deficit carr. for. | 1,968 | 5,333 |

## Central Patricia

Net profit of Central Patricia Gold Mines in the first six months of the current year was equivalent to approximately four cents per share, an official report shows. This compares with a net profit of 1.7 cents per share from the commencement of production on May 27,1934, to Dec. 31, 1934.

Bullion production for the period totalled $290,881 while mining and milling costs amounted to $121,406.

Profits in the second half of 1935 should be even higher than in the first six months as a result of the increase in the milling rate which took place in April last. The mill is now handling about 100 tons of ore daily as compared with 60 tons per day in the first three months of the year.

Average recovery in the six-month period was $21.47 per ton from 13,542 tons milled. Operating costs were $10.30 per ton. Toward the end of the period costs were substantially reduced, amounting to $6.75 per month in June.

**Statement of Operations**
**Six Months Ended June 30, 1935**

| | $ |
|---|---|
| Production | 290,881 |
| Less: Handling chgs. | 4,080 |
| | 286,801 |
| Less: Mining | 70,244 |
| Milling | 51,162 |
| Admin. & gen. exps. | 17,704 |
| Operating profit | 147,690 |
| Add: Sundry income | 544 |
| Net earnings | 148,234 |
| Less: Depreciation | 22,182 |
| Development w/o | 13,542 |
| Reserve for taxes | 12,611 |
| Net profit | 99,899 |

## International Nickel

Continued improvement in sales of nickel is reflected in the profits of International Nickel Co. for the three months ended June 30, net profit increasing from 30 cents per share in the first quarter to 34 cents per share. This is the largest profit attained in any three months period since the third quarter of 1929 when profits amounted to $5,627,577. This is equivalent to 35 cents per share on the common stock on the basis of the number of shares at present outstanding.

Net profit in the first six months of the year was equivalent to 64 cents per share as compared with 62 cents per share in the corresponding period of 1934. Profits in both the first and second quarters of 1934 amounted to 31 cents per share.

Provision made for taxes during the first six months of 1935 was 21 per cent higher than in the corresponding period of 1934, amounting to $1,933,611 as compared with $1,595,574 in 1934.

Surplus account increased from $28,885,580 at the end of 1934 to $35,987,858 at June 30.

Working capital at the end of June amounted to $46,291,188 as compared with $40,172,901 at Dec. 31, 1934.

**Income and Surplus Account**
**Six Months Ended June 30**

| | 1935 $ | 1934 $ |
|---|---|---|
| Earns. from operations | 15,867,307 | 14,832,491 |
| Less: Admin. & gen. exps. | 728,691 | 727,106 |
| Prov. for taxes | 1,933,611 | 1,595,574 |
| Net oper. profit | 13,205,005 | 12,509,811 |
| Add: Other income | 233,818 | 135,174 |
| Net earnings | 13,438,823 | 12,644,985 |
| Less: Dep., depl., etc. | 2,955,054 | 2,409,180 |
| Int. paid & accrued | 145,527 | 223,163 |
| Net profit | 10,338,242 | 10,012,642 |
| Less Appropriations: | | |
| Pref. dividends | 966,949 | 966,949 |
| Common dividends | 4,373,451 | 2,915,634 |
| Surp. for half year | 4,997,842 | 6,130,059 |
| Add: Previous surplus | 30,990,016 | 22,767,570 |
| Less: Prem. on bond redemption | ...... | 42,049 |
| Bal. carried forward | 35,987,858 | 28,855,580 |
| Common Share earnings: | | |
| Earned | $0.64 | $0.62 |
| Paid | $0.30 | $0.20 |

**Working Capital**

| | June 30 1935 $ | Dec. 31 1934 $ |
|---|---|---|
| Current assets | 52,656,957 | 46,339,542 |
| Current liabilities | 6,365,769 | 6,166,641 |
| Working capital | 46,291,188 | 40,172,901 |

## Maple Leaf Mines

The balance sheet of Maple Leaf Mines as at Feb. 28, 1935, shows the company to be a secured creditor of Mid-Canada Exploration Co., the company's fiscal agent, which recently made a voluntary assignment in bankruptcy, to the extent of $128,043. At that date $65,091 was owing to the company under underwriting agreements held by Mid-Canada while secured loans to Mid-Canada totalled $62,952. These are secured by 600,000 shares of Casey Contact Gold Mines, 8,590 shares of Casey Summit Gold Mines stock and 300,000 shares of the company's own shares.

Investments held by the company are carried in the balance sheet at a much higher figure than their market value. The book value is given as $230,710 while market value was only $141,335.

Other liquid assets consist of cash of $6,656 and sundry advances and accounts receivable of $14,483.

The company's only liabilities other than to its shareholders consist of accounts payable of $215.

Of an authorized capital of 3,000,000 shares, 2,888,883 shares are issued.

H. L. Walker, president, informed shareholders at the annual meeting that Maple Leaf Mines now holds or is entitled to hold 1,935,000 shares of Casey Summit Gold Mines, for which about 430,000 shares of Argosy Gold Mines will be received.

Directors of the company were re-elected.

**Surplus Account**
**Feb. 9, 1934 to Feb. 28, 1935**

| | $ |
|---|---|
| Net loss for period | 9,330 |
| Add: Deficit, Feb. 9, 1934 | 34,175 |
| Life insurance | 371 |
| Devel. w/o Dalton claims | 12,623 |
| Comm. w/o option Casey Summit | 7,300 |
| Less: Profit on sale of invests. and divids. | 49,309 |
| Deficit carried forward | 14,490 |

## Falconbridge Nickel

Profits of Falconbridge Nickel Mines, exclusive of non-operating revenue, continue at a lower level than in 1934, the quarterly report covering operation in the three months ended June 30 shows. Net profit for the period was equivalent to 10 cents per share as compared with 11 cents per share in the second quarter of 1934. Earnings in the first quarter of 1935 amounted to 7.2 cents per share as compared with 10.6 cents in the first three months of 1934.

Gross operating profit was down about $1,400 from the first quarter. Taxes and depreciation and development write-offs were higher, increasing the reduction in net profit, exclusive of non-operating revenue, to approximately $21,500

An official statement issued by the company states that operations continued normally during the second quarter, with grade of ore slightly higher and with unrealized income from the first quarter of this year, not then taken into account, giving a considerably higher gross and net profit.

**Operating Statement**
**Quarter Ended June 30**

| | 1935 | 1934 |
|---|---|---|
| Tons treated | 73,587 | 64,781 |
| Nickel in matte, lb. | 2,843,654 | 2,613,466 |
| Copper matte, lb. | 1,313,273 | 1,176,385 |
| Refined nickel, lb. | 2,654,114 | 2,451,366 |
| Refined copper, lb. | 1,256,217 | 1,292,300 |
| Gross oper. profit | $528,024 | $529,403 |
| Less: Prov. for taxes | 55,860 | 45,000 |
| Prof. before write-offs | 472,164 | 484,403 |
| Less: Depr. & def. devel. | 137,642 | 118,311 |
| Net profit | $334,522 | $366,092 |
| 'Note:—Above figures are exclusive of non-operating revenue. | | |
| Earnings per share | $0.10 | $0.11 |

# PICKLE CROW MILL IS FOUND CAPABLE OF 200 TONS A DAY

## July Tonnage Increases—Recovery Per Ton at $22.47

A total of 4,714 tons of ore passed through the mill at Pickle Crow Gold Mines during July, from which gold to the value of about $106,000 was recovered, The Financial Post was told by B. H. Budgeon, director of mining. This is equivalent to an average recovery per ton of about $22.47.

This figure reveals a noteworthy increase in tonnage over the month of June, when 4,139 tons were milled with an average recovery per ton of $22.95, or a total recovery of about $95,000. The increase is due to the fact that the ball mill has a larger grinding capacity than was anticipated. Average daily tonnage in July was 150 tons, compared with an average daily tonnage in June of 137 tons.

Mr. Budgeon states that when work is started on opening up the next three levels, and when the company has also available the 375-ft. level, now tied up due to shaft sinking, the daily tonnage can be stepped up to 200 tons without extra cost, inasmuch as the mill has at present a 200-ton daily capacity.

**Find New Vein**

Referring to the fact that the millheads to date have not averaged up to the one ounce per ton anticipated, Mr. Budgeon states that the ore is at present being sent to the mill without sorting. Sorting will start when the lower levels are opened up. In addition, the major part of the ore is still coming from the surface dump and 125-ft. level, which are much lower grade than the 250 and 375-ft. levels.

During the past month, drifting on the 125-ft. level has been carried on with satisfactory results, Mr. Budgeon states.

Surface work has revealed a parallel vein about 60 ft. north of the main vein. Stripped for 67 ft., this new vein averaged $23.80 a ton over 21 inches. The shaft has reached a depth of 650 ft. and the 625-ft. station has been completed.

## Smelters Presses Work On Parkin Twp. Options

**From Our Own Correspondent**

SUDBURY.—With 17 men engaged in surface work on its newly optioned properties in Parkin township, north of Sudbury, Consolidated Smelters is making a thorough exploration of the gold showings disclosed recently in that area. In all, 28 claims are controlled by the big Trail company and it is expected that within a month or two enough will be known of the occurrences to determine if further development is warranted.

While there has been nothing in the nature of a rush to the scene, it is estimated that in all about 60 or 65 claims have been recorded or staked in the vicinity of the original find made by Bennett brothers. The showings are in the greenstones, which run almost due east and west across the southern portion of Parkin township. A few claims have been staked just over the boundary line in Aylmer township to the east.

# JOWSEY ISLAND EXTENDS STRIKE FOR 8,500 FEET

## Second Drill Programme Ends — Now Plans Shaft

As a result of the second diamond drilling programme, just completed at Jowsey Island Gold Mines, adjoining God's Lake in Manitoba the strike from the original find or Jowsey vein has been shown to continue for a total length of 8,500 ft., comprising 5,000 ft. to the west and 3,000 ft. to the east. This is the gist of a progress report just issued by the company over the signature of H. R. Drummond-Hay.

Original drillings on this strike disclosed a central ore shoot 300 ft. long, assaying .36 ounces gold per ton over an average width of 4.5 ft. at an average depth of 90 ft. It is understood that plans are being rushed for starting the shaft to explore this section.

R. J. Jowsey, president, who recently visited the property, reports that timber and lumber are being transported to the shaft site from the sawmill at Kanuchuan Rapids, where God's Lake Mine hydro-electric plant is nearing completion. Under present plans shaft sinking will start early in September. The first level will be established at the 200-ft. level, as a protection against water, the vein carrying the ore being at the water's edge. Power will be initially supplied by compressors released from use at the Kanuchuan development.

# Handy & Harman Bullion Dealers To Enter Canada

Handy and Harman, internationally-known New York bullion dealers and refiners of gold and silver, have formed a Canadian subsidiary and are to erect a branch plant n downtown Toronto, according to an announcement made by H. B. Keenleyside, general manager of the Toronto Industrial Commission.

The site purchased for the company's Canadian plant is at the southeast corner of Richmond and John Streets. Building operations are to commence in the near future, and it is expected that the new plant will be placed in operation this fall. The plant will be equipped for the melting, rolling and annealing of gold and silver in sheet and wire form, as well as for the burning, drying and refining of gold, silver and platinum waste products.

The Canadian subsidiary, which is known as Handy & Harman of Canada Ltd., has been incorporated under Ontario charter with an authorized capitalization of $100,000. G. H. Niemeyer, vice-president of the parent company, is president of the Canadian concern; Robert H. Leach, a director of the New York company, is vice-president; H. W. Spalding, secretary-treasurer; and John W. Colgan, assistant treasurer and manager.

## Knee Lake Gold Mines Crosscutting to Vein

The shaft on the property of Knee Lake Gold Mines at Knee Lake, Manitoba, is now down to a depth of 325 ft., The Financial Post is informed. Stations have been cut on the 175-ft. and 300-ft. levels and crosscutting to the vein will start on both levels immediately. Officials expect the crosscut to be 35 ft. in length on the first level and 50 ft. on the second. It is hoped that drifting will commence on both levels before September 1. A second compressor has been added

# Mining Stock Quotations

Week Ending Aug. 12.

| Par Val. | Range 1935 High | Range 1935 Low | Company | Sales | Close Aug. 5 (or last) | High for week | Low for week | Close Aug. 12 |
|---|---|---|---|---|---|---|---|---|
| 1 | .74 | .38 | Afton | 38,900 | .66 | .67½ | .65 | .67 |
| No | .11 | .04 | Aldermac | 13,200 | .05 | .07½ | .04½ | .07½ |
| 1 | .02½ | .01 | Alexandria | 1,500 | .01½ | .01½ | .01½ | .01½ |
| No | .57 | .40 | Algold | 1,000 | .48 | .48 | .48 | .48 |
| No | .08½ | .02½ | Algoma | 2,000 | .03½ | .03½ | .03½ | .03½ |
| No | 4.50 | 3.70 | Anglo-Huronian | 354 | 4.00 | 4.00 | 3.90 | 4.00 |
| No | .04 | .01½ | Arno | 2,000 | .02½ | .02½ | .01½ | .02½ |
| 1 | .32 | .09 | Ashley | 500 | .10½ | .11 | .10 | .10 |
| 1 | .08 | .02½ | Astoria Rouyn | 7,200 | .04½ | .04½ | .03½ | .03½ |
| 1 | .14 | .03 | Bagamac | 46,200 | .03½ | .04½ | .03½ | .04½ |
| 1 | .08 | .02½ | Barry Hollinger | 28,500 | .03 | .03½ | .03 | .03 |
| 1 | .94 | .39 | Base Metals | 21,670 | .60 | .63 | .55 | .57 |
| 1 | .89 | .14 | B.E.A.R. | 278,525 | .73 | .89 | .73½ | .81 |
| No | 2.16 | 1.27 | Beattie Gold | 600 | 1.56 | 1.65 | 1.60 | 1.65 |
| 1 | .75 | .30 | Big Missouri | 9,590 | .53 | .57 | .50 | .56 |
| 1 | .38 | .18 | Bobjo | 10,020 | .19½ | .21 | .19½ | .19½ |
| No | 12.50 | 4.30 | Bralorne | 3,725 | 5.30 | 6.00 | 5.15 | 5.25 |
| 1 | .61 | .20 | Brazil Gold | 17,200 | .40 | .46 | .37 | .42 |
| 1 | .03 | .01½ | Brett Trethewey | 3,000 | .01½ | .01½ | .01½ | .01½ |
| 50c. | .24 | .07 | Bridge River Ex. | 2,200 | .10 | .09½ | .09 | .09 |
| 1 | .03 | .01 | Brownlee | 9,000 | .01½ | .01½ | .01 | .01 |
| 1 | 3.50 | 2.50 | Buffalo-Ankerite | 1,700 | 2.60 | 2.65 | 2.56 | 2.60 |
| No | .03½ | .01½ | Buffalo Can. | 2,000 | .01½ | .01½ | .01½ | .01½ |
| 5 | 38.15 | 33.75 | Bulolo Gold | 1,700 | 35.00 | 35.00 | 35.00 | 35.00 |
| No | .07½ | .03 | Bunker Hill | 4,380 | .07½ | .07½ | .06 | .06 |
| 1 | .03½ | .01 | Can. Kirkland | 4,500 | .01½ | .01½ | .01 | .01½ |
| No | .75 | .54 | Can. Malartic | 8,832 | .61 | .62 | .57 | .62 |
| 1 | 1.50 | .95 | Cariboo Gold | 50 | 1.00 | 1.00 | 1.00 | 1.00 |
| 1 | .05½ | .02 | Cartier Malartic | 500 | .02½ | .02½ | .02½ | .02½ |
| 1 | 1.34 | .55 | Castle Trethewey | 9,725 | .96 | 1.02 | .96 | .96 |
| 1 | .07½ | .02½ | Cen. Manitoba | 3,500 | .05 | .05½ | .05 | .05 |
| 1 | 1.79 | 1.12 | Cen. Patricia | 24,105 | 1.68 | 1.75 | 1.66 | 1.72 |
| No | .27 | .08 | Chibougamau Pros. | 22,800 | .16 | .17½ | .15 | .15½ |
| No | .06½ | .03 | Church M. & Mill. | 5,200 | .06 | .06 | .05½ | .06 |
| No | .08 | .02 | Clericy | 8,575 | .04 | .03½ | .03 | .03½ |
| 5 | 3.25 | 1.50 | Coast Copper | 50 | 2.00 | 2.00 | 2.00 | 2.00 |
| 1 | .08 | .01½ | Cobalt Contact | 7,500 | .02 | .02 | .01½ | .01½ |
| No | .15 | .02½ | Columario | ...... | .02½ | ..... | ..... | ..... |
| 5 | 3.60 | 2.25 | Coniagas | 1,459 | 2.50 | 2.55 | 2.45 | 2.50 |
| No | 2.60 | 1.35 | Coniaurum | 500 | 1.90 | 1.90 | 1.80 | 1.80 |
| 25 | 184.75 | 125.50 | Cons. Smelters | 1,158 | 167.00 | 171.00 | 166.50 | 171.00 |
| No | 44.00 | 34.50 | Dome Mines | 595 | 37.25 | 38.00 | 37.00 | 37.00 |
| 1 | .10 | .04 | Dom. Explorers | 2,000 | .04 | .04½ | .04½ | .04½ |
| 1 | .17½ | .08½ | Duparquet | 15,900 | .10 | .10 | .09 | .09½ |
| 1 | 2.93 | 1.02 | Eldorado | 24,420 | 1.72 | 1.85 | 1.60 | 1.63 |
| No | 4.10 | 3.25 | Falconbridge | 7,115 | 3.91 | 4.05 | 3.95 | 3.95 |
| 1 | .04½ | .02 | Federal | 2,500 | .02½ | .02½ | .02½ | .02½ |
| No | .16½ | .05 | Francoeur Gold | 3,000 | .12½ | .12 | .12 | .12 |
| 1 | .38 | .31 | Franklin Gold | 6,500 | .35½ | .36 | .35 | .35 |
| 1 | .45 | .09 | Gabrielle | ...... | .11 | ..... | ..... | ..... |
| No | .03½ | .01½ | Gilbec | 1,000 | .01½ | .01½ | .01½ | .01½ |
| No | 2.24 | 1.24 | God's Lake | 24,210 | 1.54 | 1.63 | 1.55 | 1.57 |
| 1 | .20 | .11 | Goldale | 2,800 | .12½ | .13 | .11½ | .12 |
| 50c. | .46 | .25 | Gold Belt | ...... | .25 | ..... | ..... | ..... |
| 10 | .19 | .10 | Goldfield | ...... | .14 | ..... | ..... | ..... |
| 1 | .15 | .04 | Goodfish | 3,550 | .06½ | .08½ | .07 | .8½ |
| 1 | .07 | .02 | Graham Bosquet | 5,350 | .03 | .03½ | .03 | .03½ |
| 1 | .40 | .17 | Granada Gold | 23,900 | .22 | .22 | .19½ | .20 |
| No | .12 | .05½ | Grandora | 1,000 | .06 | .05½ | .05½ | .05½ |
| 1 | .45 | .17 | Greene Stabell | 6,400 | .20 | .22½ | .20 | .20 |
| 1 | .05 | .02½ | Grozelle | ...... | .02½ | ..... | ..... | ..... |
| 1 | .10 | .04½ | Grull Wihksne | 1,000 | .05 | .04½ | .04½ | .04½ |
| 1 | .97 | .48 | Gunnar Gold | 19,855 | .70 | .73 | .68 | .72 |
| 1 | .08½ | .02 | Halcrow Swayze | 1,500 | .02½ | .02 | .02 | .02 |
| 1 | .10 | .04 | Harker | 3,000 | .05½ | .05½ | .05 | .05 |
| 5 | 20.25 | 12.70 | Hollinger | 2,605 | 13.75 | 13.75 | 13.40 | 13.75 |
| 1 | 1.10 | .65 | Howey Gold | 11,310 | .78 | .80 | .78 | .78 |
| No | 16.00 | 11.50 | Hudson Bay | 711 | 15.75 | 16.00 | 15.00 | 15.37 |
| 1 | 15.35 | 11.95 | Inter. Mining | 20 | 12.25 | 11.95 | 11.95 | 11.95 |
| 1 | 6.50 | 5.00 | Do., Pur. Warr. | ...... | 5.00 | ..... | ..... | ..... |
| No | 29.12 | 22.25 | Int. Nickel | 14,087 | 28.37 | 28.87 | 28.00 | 28.75 |
| 100 | 130.75 | 125.00 | Do., pref. | ...... | 125.00 | ..... | ..... | ..... |
| 1 | .20 | .11 | J. M. Cons. Gold | 19,100 | .16 | .17 | .16 | .16 |
| 1 | .75 | .55 | Kerr Lake | ...... | .75 | ..... | ..... | ..... |
| 1 | .31 | .20 | Kirk. Hud. Bay | 200 | .20 | .23 | .23 | .23 |
| 1 | .01½ | .00½ | Kirk. Hunton | ...... | .00½ | ..... | ..... | ..... |
| 1 | .65 | .33½ | Kirkland Lake | 13,080 | .38 | .37 | .36½ | .37 |
| 1 | .33½ | .12½ | Kirk. Townsite | ...... | .14 | ..... | ..... | ..... |
| No | .07 | .02½ | Lake Maron | 8,000 | .03½ | .03½ | .02½ | .02½ |
| 1 | 58.00 | 48.75 | Lake Shore | 2,954 | 50.75 | 50.50 | 50.00 | 50.00 |
| 1 | .08 | .02½ | Lamaque Contact | 1,000 | .02½ | .02½ | .02½ | .02½ |
| 1 | .09½ | .03½ | Lebel Oro | 10,500 | .04½ | .04 | .03½ | .04 |
| 1 | .08 | .02½ | Lee Gold | 11,800 | .04 | .03½ | .03½ | .03½ |
| No | 7.25 | 4.15 | Little Long Lac | 7,765 | 4.45 | 4.74 | 4.40 | 4.70 |
| 1 | 2.75 | 1.31 | Macassa | 13,112 | 1.34 | 1.42 | 1.33 | 1.35 |
| 1 | .03 | .00½ | Malrobic | 2,000 | .01 | .01 | .01 | .01 |
| No | .10 | .05½ | Mandy | ...... | .05½ | ..... | ..... | ..... |
| No | .12½ | .03 | Man. & Eastern | 39,300 | .05 | .07 | .05½ | .06 |
| 1 | .14 | .03 | Maple Leaf | 46,150 | .03½ | .04½ | .03½ | .04 |
| 5 | 46.00 | 36.50 | McIntyre | 1,160 | 39.00 | 38.25 | 36.50 | 37.00 |
| 1 | 1.45 | 1.06 | McKenzie R.L. | 17,750 | 1.20 | 1.21 | 1.14 | 1.15 |
| 1 | .70 | .40 | McKinley | 300 | .40 | .40 | .40 | .40 |
| 1 | .46½ | .09½ | McMillan | 52,625 | .14 | .16½ | .09½ | .09½ |
| No | 2.15 | .45 | McWatters | 88,475 | 1.30 | 1.54 | 1.28 | 1.43 |
| 1 | .40 | .10 | McVittie | 5,630 | .13 | .13½ | .12 | .13 |
| No | 1.50 | .85 | Mining Corp. | 1,765 | 1.36 | 1.36 | 1.30 | 1.31 |
| No | .21 | .07½ | Minto Mines | ...... | .08 | ..... | ..... | ..... |
| 1 | .04 | .01 | Moffatt Hall | 4,800 | .01½ | .01½ | .01½ | .01½ |
| 1 | .16 | .09 | Moneta | 5,900 | .11 | .13 | .13 | .13 |
| 1 | .74 | .47 | Morris Kirk | 16,900 | .72½ | .72½ | .71 | .72 |
| 1 | .01½ | .00½ | Murphy | ...... | .00½ | ..... | ..... | ..... |
| No | .04 | .01½ | Newbec | 23,200 | .02 | .01½ | .01½ | .01½ |
| 1 | .04½ | .00½ | Night-Hawk Penn. | ...... | .01 | ..... | ..... | ..... |
| 5 | 2.95 | 2.10 | Nipissing | 700 | 2.55 | 2.57 | 2.41 | 2.41 |
| No | 43.00 | 31.00 | Noranda | 4,013 | 38.00 | 38.25 | 37.37 | 38.00 |
| No | .31 | .16 | Nor. Canada | 600 | .20 | .18 | .16 | .16 |
| 1 | .75 | .30 | O'Brien | 1,320 | .37 | .38 | .35 | .38 |
| 1 | .10 | .04 | Osisko | ...... | .04 | ..... | ..... | ..... |
| 1 | .32 | .18 | Parkhill | 16,400 | .18 | .22 | .18 | .22 |
| 1 | .04½ | .01 | Pawnee Kirk. | 9,000 | .02½ | .02½ | .02½ | .02½ |
| 1 | .30½ | .16 | Paymaster | 20,500 | .25 | .25½ | .24 | .25 |
| 1 | .84 | .40 | Pend Oreille | 3,880 | .54 | .60 | .54 | .60 |
| 1 | .83 | .55 | Perron Gold | 3,350 | .60 | .60 | .55 | .60 |
| 1 | .09½ | .01½ | Peterson Cobalt | 9,000 | .03½ | .03½ | .03½ | .03½ |
| 1 | 2.96 | 2.10 | Pickle Crow | 36,235 | 2.34 | 2.60 | 2.30 | 2.57 |
| 1 | 12.25 | 9.00 | Pioneer Gold B.C. | 2,430 | 10.25 | 10.35 | 9.75 | 9.85 |
| 1 | .06 | .03 | Porcupine Crown | 8,000 | .04½ | .05 | .04½ | .05 |
| 1 | .01½ | .00½ | Potter Doal | ...... | .01 | ..... | ..... | ..... |
| 1 | 2.05 | 1.41 | Premier Gold | 3,305 | 1.46 | 1.46 | 1.42 | 1.46 |
| 1 | .02½ | .01 | Preston E. Dome | 3,500 | .01½ | .01½ | .01½ | .01½ |
| No | 3.05 | 1.25 | Prospectors Air's | 2,900 | 1.41 | 1.75 | 1.41 | 1.60 |
| 1 | .80 | .09½ | Quebec Gold | 3,900 | .66 | .67 | .60 | .600 |
| No | .15 | .02½ | Quemont | ...... | .03 | ..... | ..... | ..... |
| 1 | .98 | .55 | Read Authier | 1,950 | .91 | .88 | .84 | .86 |
| No | .41 | .27 | Red Lake | 21,650 | .29 | .32 | .29 | .31 |
| 1 | 1.67 | 1.06 | Reno Gold | 6,650 | 1.20 | 1.18 | 1.09 | 1.11 |
| 1 | .00½ | .00½ | Ribago | ...... | .00½ | ..... | ..... | ..... |
| 1 | .02½ | .00½ | Ritchie | ...... | .01½ | ..... | ..... | ..... |
| 1 | .04½ | .02 | Robb Montbray | 19,500 | .02½ | .03½ | .02½ | .02½ |
| 1 | .10½ | .04½ | Roche Long Lac | 108 | .06 | .07 | .06 | .06 |
| 1 | 5.20 | 3.10 | San Antonio | 4,209 | 3.46 | 3.50 | 3.40 | 3.40 |
| 50c. | 1.25 | .54 | Sheep Creek | 3,430 | .94 | 1.08 | .95 | 1.08 |
| 1 | 1.00 | .45 | Sherritt Gordon | 16,778 | .59 | .62 | .60 | .59½ |
| 1 | 3.29 | 2.49 | Siscoe | 12,435 | 2.60 | 2.68 | 2.60 | 2.63 |
| 1 | 4.60 | 3.30 | South Amer. Gold | ...... | 3.95 | ..... | ..... | ..... |
| No | .15 | .03 | South Tiblemont | 18,700 | .03 | .03½ | .03 | .03 |
| No | .32 | .13½ | Stadacona | 52,260 | .24 | .24½ | .23 | .23½ |
| 1 | .39 | .14½ | St. Anthony | 22,900 | .18 | .22 | .19 | .20½ |
| No | 1.62 | 1.25 | Sudbury Basin | 3,885 | 1.45 | 1.50 | 1.40 | 1.48 |
| 1 | .11 | .05 | Sudbury Contact | 1,000 | .05 | .05½ | .05½ | .05½ |
| 1 | .07½ | .03 | Sudbury Mines | 20,500 | .05 | .05½ | .05 | .05 |
| 1 | .89 | .35 | Sullivan Cons. | 21,605 | .76 | .80 | .77 | .78 |
| 1 | 2.70 | 2.00 | Sylvanite | 11,570 | 2.06 | 2.12 | 2.05 | 2.08 |
| 1 | .67 | .28 | Tashota Gold | 62,800 | .35 | .35 | .28 | .34 |
| 1 | 4.70 | 3.67 | Teck Hughes | 15,115 | 4.10 | 4.08 | 3.91 | 4.00 |
| 1 | .02½ | .01 | Timiskaming | 500 | .01 | .01 | .01 | .01 |
| 1 | 1.45 | 1.08 | Toburn Gold | 1,390 | 1.10 | 1.11 | 1.10 | 1.10 |
| 1 | .30½ | .10 | Towagmac | 3,600 | .14 | .17 | .15 | .17 |
| 1 | .30 | .10 | Treadwell | ...... | .20 | ..... | ..... | ..... |
| No | .01½ | .00½ | Vacuum Gas | ...... | .00½ | ..... | ..... | ..... |
| No | .32 | .03 | Vanson Man. | 5,200 | .04 | .03½ | .02½ | .03 |
| No | 1.07 | .80 | Ventures | 34,800 | .94 | .98 | .94 | .94 |
| No | .90 | .45 | Waite Amulet | 469 | .50 | .55 | .53 | .55 |
| 50c. | .24½ | .07 | Wayside | 14,400 | .12½ | .13 | .12 | .12 |
| No | .10½ | .01½ | White Eagle | 2,000 | .01½ | .01½ | .01½ | .01½ |
| 1 | .07 | .03 | Whitney Coughlan | 2,600 | .03½ | .03 | .03 | .03 |
| 1 | .07½ | .03½ | Wood Kirkland | 36,700 | .06½ | .07½ | .06½ | .07½ |
| No | 9.90 | 7.25 | Wright-Hargreaves | 9,300 | 7.45 | 7.55 | 7.25 | 7.30 |
| No | .85 | .26 | Ymir Yankee | 1,400 | .35 | .33 | .33 | .33 |
| No | .38 | .18 | Dalhousie | ...... | .23 | ..... | ..... | ..... |
| No | .12 | .05 | East Crest | 1,000 | .07 | .08 | .08 | .08 |
| No | .21 | .04½ | Erie Gas | 1,200 | .07 | .05 | .04½ | .04½ |
| No | .35 | .08 | Foothills | ...... | .30 | ..... | ..... | ..... |
| No | .80 | .50 | Home | 1,015 | .51 | .50 | .50 | .50 |
| 1 | .14 | .05 | Homestead O. & G. | ...... | .05 | ..... | ..... | ..... |
| No | .13½ | .07 | Lowery | ...... | .07½ | ..... | ..... | ..... |
| No | .27 | .16 | Merland | ...... | .18 | ..... | ..... | ..... |
| 1 | .28 | .18 | Model | 4,300 | .21 | .23 | .20 | .20 |
| 5 | .15 | .03 | Nordon | 13,900 | .13½ | .14 | .13 | .14 |
| No | .07 | .03½ | Oil Selections | 6,000 | .03½ | .04 | .03½ | .03½ |
| No | .06½ | .03 | Olga Gas & Oil | 5,000 | .04½ | .04 | .04 | .04 |
| 1 | .65 | .40 | Petrol Oil & Gas. | 454 | .65 | .65 | .60 | .65 |
| No | 27.00 | 18.00 | Royalite | 845 | 23.25 | 23.87 | 23.00 | 23.12 |
| No | .12 | .04 | South West Pete. | ...... | .04 | ..... | ..... | ..... |
| No | .95 | .55 | Texas Can. | 1,500 | .75 | .80 | .75 | .75 |

**OIL STOCKS**

| Par Val. | Range 1935 High | Range 1935 Low | Company | Sales | Close Aug. 5 (or last) | High for week | Low for week | Close Aug. 12 |
|---|---|---|---|---|---|---|---|---|
| No | .26 | .17½ | Acme Gas & Oil | 6,150 | .19 | .19 | .17½ | .18½ |
| 1 | 1.09 | .50 | Ajax | 600 | .50 | .55 | .50 | .50 |
| No | .85 | .49 | Calgary & Ed. | 200 | .50 | .52 | .50 | .50 |
| 1 | .08 | .04 | Calmont | ...... | .05½ | ..... | ..... | ..... |
| No | .05½ | .03½ | Common Pete | ...... | .03½ | ..... | ..... | ..... |

**VANCOUVER STOCK EXCHANGE**

| Par Val. | Range 1935 High | Range 1935 Low | Company | Sales | Close Aug. 3 (or last) | High for week | Low for week | Close Aug. 10 |
|---|---|---|---|---|---|---|---|---|
| 1 | .02½ | .01½ | Alexandria | ...... | .01½ | ..... | ..... | ..... |
| No | .16 | .00½ | Atlin Pacific | ...... | .00½ | ..... | ..... | ..... |
| 25c | .01½ | .00½ | Bayview | ...... | .00½ | ..... | ..... | ..... |
| 20c | .10½ | .04½ | Beaver Silver | 11,000 | .04½ | .05½ | .05 | .05 |
| 25c | .02½ | .01 | Bluebird | 30,000 | .01½ | .01½ | .01½ | .01½ |
| 1 | 2.80 | 1.50 | Bradian Gold | 1,050 | 2.10 | 2.20 | 2.10 | 2.10 |
| No | 12.25 | 4.40 | Bralorne | 3,601 | 5.30 | 5.55 | 5.25 | 5.30 |
| 1 | .08½ | .03 | Bridge River Cons | 2,500 | .03 | .04½ | .03½ | .04½ |
| 50c | .24 | .07½ | Bridge River Exp | 2,200 | .09 | .09½ | .09 | .09½ |
| 1 | .55 | .18 | B.C. Nickel | 46,800 | .24 | .23 | .18 | .22 |
| 1 | 1.68 | .90 | B.C. Silver | ...... | 1.65 | ..... | ..... | ..... |
| 10 | 43.00 | 43.00 | Bunker H. Sullivan | ...... | 43.00 | ..... | ..... | ..... |
| 50c | .10 | .03 | Canadian Rand | ...... | .03 | ..... | ..... | ..... |
| 1 | 1.50 | .95 | Cariboo Gold | 2,525 | .95 | 1.05 | .97 | 1.05 |
| No | 14.00 | 12.50 | Coast Breweries | 341 | 13.75 | 14.00 | 13.75 | 14.00 |
| 1 | .54 | .21 | Congress Gold | 32,900 | .30 | .28½ | .24 | .26 |
| 1 | .07 | .03 | Cotton Belt | 4,250 | .05 | .06 | .05 | .06 |
| 25c | .00½ | .00½ | Cork Province | ...... | .00½ | ..... | ..... | ..... |
| 1 | .01½ | .01 | Dalhousie Mines | ...... | .01 | ..... | ..... | ..... |
| No | .95 | .23 | Dentonia | 53,995 | .25 | .35 | .23 | .29½ |
| No | .06½ | .01 | Dictator | ...... | .01 | ..... | ..... | ..... |
| 1 | .17 | .03 | Dunwell | 1,000 | .03 | .05½ | .05½ | .05½ |
| No | .16½ | .01 | Fairview Amal. | 6,000 | .07½ | .07½ | .07 | .07 |
| 50c | .44 | .28 | Fawn Mining | ...... | .30 | ..... | ..... | ..... |
| 1 | .13 | .05 | Federal Gold | 7,500 | .10 | .10½ | .08 | .08 |
| 1 | .20 | .12 | George Copper | ...... | .16½ | ..... | ..... | ..... |
| 50c | .07 | .03 | George Enterprise | 500 | .05 | .05 | .05 | .05 |
| 1 | .01 | .00½ | Georgia River | 3,000 | .00½ | .00½ | .00½ | .00½ |
| 50c | .06½ | .01 | Glacier Creek | ...... | .01 | ..... | ..... | ..... |
| 1 | .42 | .16 | Golconda | 300 | .17 | .17 | .17 | .17 |
| 50c | .45½ | .24 | Gold Belt | 7,800 | .25 | .27 | .24 | .28 |
| 50c | .19 | .07 | Gold Mountain | ...... | .11½ | ..... | ..... | ..... |
| 50c | .04½ | .01½ | Grandview | 500 | .02 | .03 | .03 | .03 |
| No | .24 | .01½ | Grange Mines | 29,400 | .02 | .02 | .01½ | .01½ |
| 1 | .10 | .04½ | Grull Wihksne | 7,100 | .05 | .06½ | .04½ | .06 |
| No | .03 | .03 | Haida Gold | ...... | .03 | ..... | ..... | ..... |
| 25c | 11.50 | 6.40 | Hecla | 100 | 11.35 | 9.85 | 9.85 | 9.85 |
| 50c | .26 | .18 | Hedley Amal. | 6,500 | .21 | .22 | .19½ | .20 |
| No | .12 | .04 | Hedley Sterling | ...... | .06 | ..... | ..... | ..... |
| 1 | .02 | .01 | Hercules Cons. | ...... | .01 | ..... | ..... | ..... |
| No | .12½ | .04 | Home Gold | 11,000 | .04½ | .04½ | .04 | .04 |
| 1 | .01½ | .00½ | Independence | ...... | .00½ | ..... | ..... | ..... |
| 1 | .01 | .01 | Indian Mines | ...... | .01 | ..... | ..... | ..... |
| 1 | .20 | .17 | Inter'tl Coal | 1,000 | .20 | .20 | .20 | .20 |
| 50c | .98 | .68 | Island Mountain | 23,835 | .90 | .98 | .90 | .92 |
| 50c | .72 | .33 | Kootenay Belle | 2,100 | .34 | .36 | .34 | .36 |
| 25c | .01½ | .00½ | Koot. Florence | ...... | .00½ | ..... | ..... | ..... |
| 1 | .01½ | .00½ | Lakeview | ...... | .00½ | ..... | ..... | ..... |
| 10c | .04½ | .02 | Lucky Jim | ...... | .02½ | ..... | ..... | ..... |
| No | .41 | .07 | Mak Siccar | 1,100 | .10 | .11 | .11 | .11 |
| 50c | .00½ | .00½ | Marmot Metals | ...... | .00½ | ..... | ..... | ..... |
| 1 | .21 | .16 | McGillivray Creek | ...... | .19½ | ..... | ..... | ..... |
| 10c | .19 | .03½ | Meridian Min. | 8,700 | .05 | .04½ | .04 | .04½ |
| No | .24½ | .06 | Minto Mines | 17,700 | .08 | .07½ | .06 | .06 |
| 50c | .12½ | .03½ | Morning Star | 35,700 | .04 | .04½ | .04 | .04½ |
| 1 | .02 | .01 | Morton Woolsey | ...... | .01 | ..... | ..... | ..... |
| 50c | .06½ | .03 | National Silver | 4,500 | .03½ | .03½ | .03½ | .03½ |
| 50c | .17 | .05 | Nicola | 4,000 | .09 | .10½ | .09 | .09 |
| 50c | .16 | .05½ | Noble Five | 9,500 | .05½ | .06 | .05½ | .06 |
| No | .09½ | .02½ | Pilot Gold | 2,000 | .02½ | .03 | .02½ | .02½ |
| 1 | 12.50 | 9.10 | Pioneer Gold | 400 | 10.50 | 10.50 | 9.90 | 10.50 |
| 50c | .15 | .06 | Porter Idaho | 8,500 | .07½ | .07 | .06 | .06 |
| No | .01 | .00½ | Premier Border | ...... | .00½ | ..... | ..... | ..... |
| 1 | .02½ | .00½ | Quatsino Copper | ...... | .02½ | ..... | ..... | ..... |
| No | .17 | .09 | Quesnelle Quartz | 2,400 | .10 | .09 | .09 | .09 |
| No | .18 | .10 | Reeves McDonald | ...... | .10 | ..... | ..... | ..... |
| 1 | .39 | .25 | Relief Arlington | 7,500 | .30 | .34 | .27 | .31 |
| 1 | 1.62 | 1.09 | Reno Gold | 16,200 | 1.16 | 1.16 | 1.09 | 1.12 |
| 1 | .04½ | .02 | Reward Mining | 1,000 | .02 | .02½ | .02½ | .02½ |
| 1 | .01½ | .00½ | Rufus Argenta | ...... | .01 | ..... | ..... | ..... |
| 1 | .05½ | .01½ | Ruth Hope | ...... | .02 | ..... | ..... | ..... |
| 1 | .62 | .18 | Sally Mines | 18,300 | .25 | .23 | .18 | .20 |
| 50c | .18 | .11 | Salmon Gold | ...... | .11½ | ..... | ..... | ..... |
| 50c | 1.18 | .55 | Sheep Creek | 19,420 | 1.00 | 1.05 | .98 | 1.05 |
| 1 | .05 | .02 | Silverado | ...... | .02 | ..... | ..... | ..... |
| 25c | .02½ | .00½ | Silvercrest | ...... | .01 | ..... | ..... | ..... |
| 20c | .12 | .01 | Silversmith | 14,000 | .01½ | .01½ | .01 | .01½ |
| 50c | .01½ | .00½ | Snowflake | ...... | .00½ | ..... | ..... | ..... |
| No | .75 | .62 | Standard Silver | 200 | .75 | .75 | .75 | .75 |
| 10 | 23.75 | 11.45 | Sunshine | ...... | 22.50 | ..... | ..... | ..... |
| No | .32 | .15 | Taylor Bridge | 2,300 | .17 | .17 | .16 | .16 |
| 1 | .20½ | .12 | Taylor Windfall | ...... | .19 | ..... | ..... | ..... |
| 5 | .35 | .20 | Toric | ...... | .20 | ..... | ..... | ..... |
| 50c | .10 | .03 | United Empire | ...... | .04 | ..... | ..... | ..... |
| No | .61 | .13 | Vidette Gold | 3,600 | .24 | .22 | .20 | .20 |
| No | .06 | .01 | Viking Gold | ...... | .01 | ..... | ..... | ..... |
| No | .07½ | .02 | Waterloo Gold | ...... | .02 | ..... | ..... | ..... |
| 25c | .01½ | .00½ | Waverley Tangier | 5,000 | .00½ | .00½ | .00½ | .00½ |
| 50c | .23 | .07½ | Wayside | 9,800 | .13½ | .12½ | .12½ | .12½ |
| 20c | .04 | .01 | Wellington | ...... | .01½ | ..... | ..... | ..... |
| No | .09½ | .03 | White Eagle | ...... | .03 | ..... | ..... | ..... |
| 1 | .14 | .04 | Whitewater | ...... | .05½ | ..... | ..... | ..... |
| No | .83 | .28 | Ymir Yankee Girl | 500 | .39 | .35 | .35 | .35 |

**OIL STOCKS**

| Par Val. | Range 1935 High | Range 1935 Low | Company | Sales | Close Aug. 3 (or last) | High for week | Low for week | Close Aug. 10 |
|---|---|---|---|---|---|---|---|---|
| 1 | .22 | .06½ | Amalgamated | 9,000 | .10½ | .10 | .09 | .09 |
| 1 | .10½ | .05½ | Alta. Pacific | 500 | .06 | .06½ | .06½ | .06½ |
| 1 | .04 | .01½ | Anaconda | ...... | .01½ | ..... | ..... | ..... |
| No | .05 | .01½ | Baltac | ...... | .02½ | ..... | ..... | ..... |
| 1 | .07½ | .05 | Brit. Dominion | ...... | .05 | ..... | ..... | ..... |
| 1 | .25 | .06 | Crow's Nest | 5,700 | .10½ | .10 | .09 | .09 |
| No | .03½ | .01 | Devenish | ...... | .02½ | ..... | ..... | ..... |
| No | .11 | .05 | Freehold | 600 | .05 | .05 | .05 | .05 |
| No | .04½ | .03 | Hargal | ...... | .03 | ..... | ..... | ..... |
| No | .15 | .08½ | High Sarcee | 9,500 | .09 | .12 | .09½ | .12 |
| No | .01½ | .00½ | Madison | ...... | .00½ | ..... | ..... | ..... |
| No | .17 | .07 | Marjon Oil | 12,100 | .09 | .09 | .08½ | .08½ |
| No | .05 | .02 | McD. Segur Ex. | ...... | .03 | ..... | ..... | ..... |
| 1 | .48 | .35 | McLeod | ...... | .37 | ..... | ..... | ..... |
| No | .14½ | .09 | Mercury | 9,600 | .14 | .14½ | .11½ | .11½ |
| No | .14 | .07 | Mill City Pete. | 1,600 | .08 | .10 | .09 | .09 |
| No | .06½ | .04 | Okalta | ...... | .05 | ..... | ..... | ..... |
| No | .10½ | .02 | Pacalta Oil | 7,000 | .05 | .05 | .04½ | .05 |
| 1 | 1.17 | .31 | Ranchmen's | 19,200 | .50 | .65 | .37 | .37 |
| No | .01 | .01 | Richfield | ...... | .01 | ..... | ..... | ..... |
| 1 | .28 | .15 | Spooner | ...... | .19 | ..... | ..... | ..... |
| No | .10 | .03½ | United | 2,400 | .04½ | .05 | .05 | .05 |
| No | .14 | .04 | Vanalta | ...... | .04½ | ..... | ..... | ..... |
| 1 | .05 | .04 | Wellington Oil | ...... | .05 | ..... | ..... | ..... |

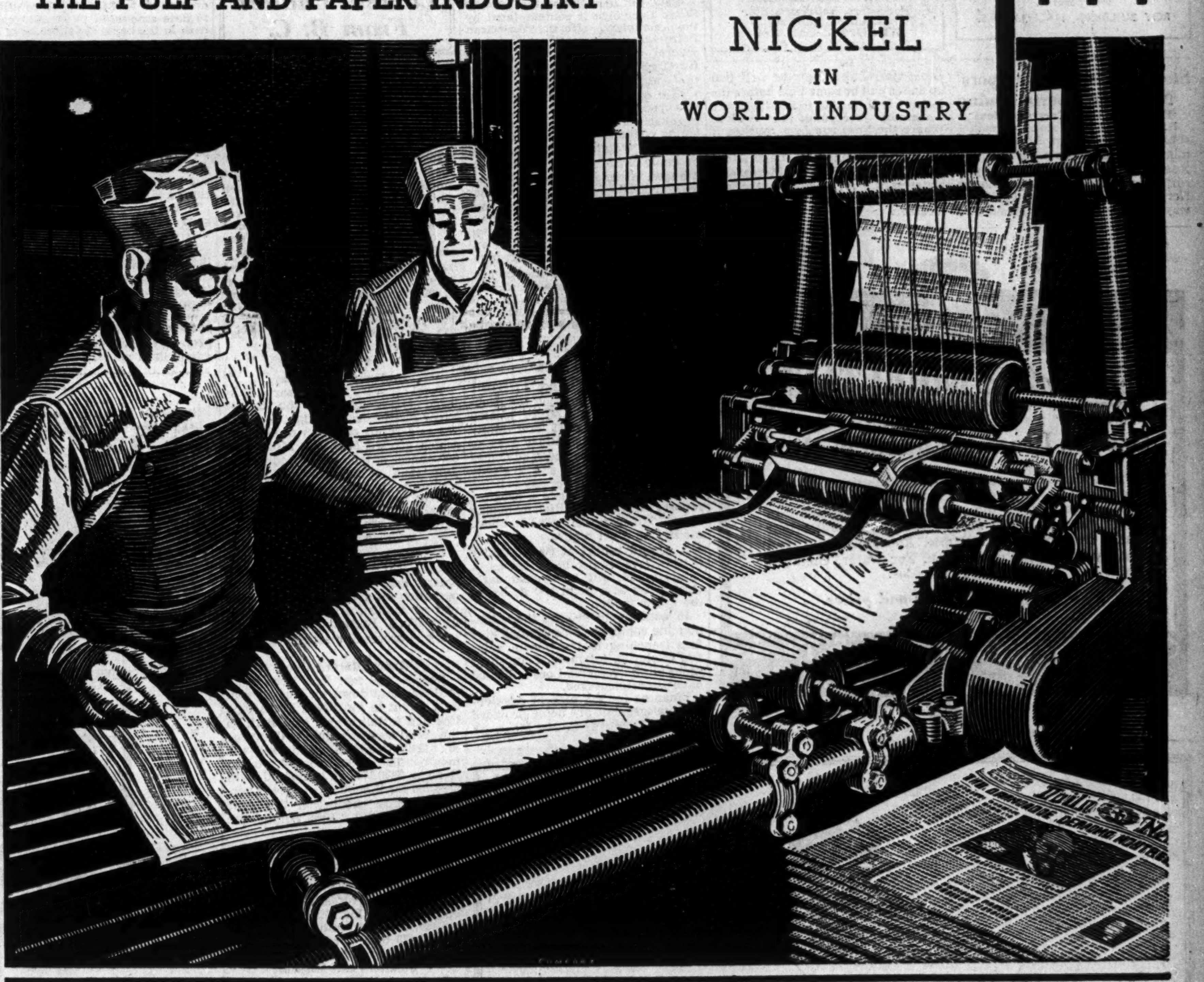
**DIVIDEND PAYERS**

| | Rate | Yield | | Rate | Yield |
|---|---|---|---|---|---|
| Acme Gas | 2c. | ..... | McIntyre | $2 | 5.40 |
| Anglo Huronian† | 40c. | ..... | McKinley Sec. | 2½c. | ..... |
| Buff. Ankerite | 20c. | 7.69 | Model Oils | 3c. | ..... |
| Bulolo Gold‡ | 1.20 | ..... | Nipissing | 12½c. | ..... |
| Calgary & Ed. | 5c. | ..... | Noranda | $1 | ..... |
| Coast Brew. | 92c. | 6.56 | Nor Canada† | 2c. | ..... |
| Coniagas‡ | 12½c. | ..... | Petrol Oil‡ | 3c. | ..... |
| Cons. Smelters | $1.25 | ..... | Premier | 12c. | 8.21 |
| Dome Mines | $2 | 5.40 | Pioneer, B.C. | 80c. | 8.12 |
| Falconbridge | 7½c. | ..... | Reno | 12+2c. | 10.81 |
| Hollinger | 65c.+5c. | 4.72 | Royalite | 75c. | ..... |
| Howe Sound | $3 | ..... | San Antonio | 7c. | ..... |
| Howey Gold | 3c. | ..... | Siscoe | 20c. | 7.60 |
| Hudson Bay† | 50c. | ..... | So. Amer. Gold | 10c. | ..... |
| Int. Coal & Coke | 1c. | ..... | Sunshine | 30c. | ..... |
| Inter. Mining | 15c. | ..... | Sylvanite | 20c. | 9.61 |
| Int. Nickel c. | 80c. | ..... | Teck Hughes | 40c. | 10.00 |
| Kirk. Lake† | 3c. | ..... | Toburn | 8c. | 7.27 |
| Lake Shore | 2+50c | 4.00 | Wright-Har. | 40+5c. | 5.47 |
| Macassa | 5c. | ..... | | | |

†Interim. ‡Initial.


THE PULP AND PAPER INDUSTRY

CANADIAN NICKEL IN WORLD INDUSTRY . . .



NICKEL AND YOUR NEWSPAPER

TO THE MUSIC OF WHIRRING MACHINERY, newspapers at the rate of over 600 per minute emerge from the presses to be rushed to you with the latest news.

These newspapers represent trees from Canadian forests which have been processed first into pulp and then into newsprint. In this processing from trees to paper, Nickel and Monel Metal, because of their great strength, long life, corrosion and acid resisting qualities, serve the pulp and paper industry in many practical ways, which result in lower costs and a better product.

In evaporators Monel Metal tubes are used to prevent corrosion; in filters and washers, Monel Metal woven wire cloth, combining the strength of steel with corrosion resistance and long life, protects pulp against discoloration and reduces waste; in pumps Monel Metal pump rods and shafts eliminate rust, scoring and pitting; their glass smooth surface reduces friction and wear, cutting maintenance costs. Nickel Alloy Castings reduce to a minimum costly breakdown and repair costs.

In practically every industry in the world there are definite uses to which Nickel and Monel Metal are especially adapted and where they can render valuable economic service. In order to sell Nickel and Monel Metal for these uses, it is necessary to educate world industry to the special physical characteristics of these metals.

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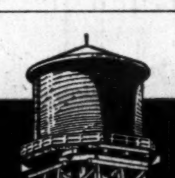
### Stormy Weather Hampers Northern Alberta Mining

**From Our Own Correspondent**

REGINA.—Unless stormy weather subsides in Northern Alberta soon, mining camps in the north awaiting machinery and food supplies will suffer severe delays. Freight via the Northern Alberta Railway to Waterways then by boat to Athabaska and Great Bear Lake is pretty well tied up and it will be some time before the railway will be able to handle heavy machinery according to reports. Where the lines run over muskeg it is reported several feet of water needs to be drained off. Lake Athabaska has reached a 51-year-old watermark. Aviation services are also hampered by the inclement weather.

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**Used in Leading Canadian Mines**

Proof against corrosion by salt solutions or acid compounds, Canadian Wood Tanks fill the specific needs of the mining industry. Made in diameters up to 60 feet — absolutely watertight and frost-proof — shipped knocked down and easily assembled on the job. For water, chemical or other liquid storage purposes.

*Write for full details and prices.*

Canadian Wood Pipe & Tanks Limited
550 Pacific Street Vancouver, B.C.
30 YEARS IN BUSINESS

The Arms of Nova Scotia

## Clay and Diatomaceous in Nova Scotia

Clays suitable for the manufacture of brick, tiles, sewer-pipes, etc., are abundant in Nova Scotia. At the present time, ordinary stock and pressed red-bricks, tiles and sewer-pipes of different sizes are manufactured at various points. The industry is capable of large expansion.

Large beds of fire-clay occur in connection with the various coal seams throughout the Province. Fire-bricks are manufactured at New Glasgow and also at Sydney for use in connection with manufacture of steel.

Nova Scotia has the largest deposit of Diatomite in Canada with a distribution in almost every country. It is used as a filtrant, insulator, as a filler in the composition of rubber, sealing wax, phonograph records, and in water-glass. Plants are being operated in New Annan, Colchester County and at Tiddville, Digby County.

Inquiries are solicited.

Honourable Michael Dwyer
*Minister of Public Works and Mines*
Province of Nova Scotia,
Halifax, Canada


## 'LANTIC KEYSTONE REMAINS MYSTERY TO SHAREHOLDERS

### Successor Company Was Formed Two Years Ago Affairs Still in Air

While two years have elapsed since North American Petroleum Co. was formed to amalgamate Atlantic Keystone Petroleum Co. and 49 other gas and oil companies with extensive holdings in the United States, no information is available as to what progress has been made in the consolidation.

Several attempts by The Financial Post to obtain details of the amalgamation from officials of the company have been without success. Although promised the information "in the near future" on two occasions, it has not been forthcoming. This week the Toronto office of the North American Petroleum told The Financial Post that no details would be available until the return of J. W. Heffernan, K.C., of Edmonton, Alta., one of prime movers in the amalgamation, from the Southern States. He has been in the South in connection with consolidation arrangements.

In response to enquiries from shareholders of Atlantic Keystone, North American Petroleum stated last December that all assets of the former company had been taken over by it. The basis of this acquisition has never been officially announced. Report has it that Atlantic Keystone sold its assets for 2,500,000 shares of the new company and that 600,000 of these shares are to be used to pay liabilities of Atlantic Keystone.

**"Probable" Distribution**

C. A. Edwards, secretary of North American Petroleum, in a recent letter to a shareholder states that it is probable that Atlantic Keystone shares will be exchangeable for North American Petroleum stock on the basis of eight North American shares for 10 Atlantic Keystone. This, however, is not final.

The same shareholder is also informed that the company's stock has a book value of approximately $5 per share. The basis of this valuation is unknown. The Financial Post has been unable to obtain from the company a statement of its assets.

Listing of its stock on the Toronto Stock Exchange is contemplated by the company, North American Petroleum, information given to several shareholders in Atlantic Keystone indicates. Last December the company informed one shareholder of Atlantic Keystone that it was "endeavoring to consummate negotiations which will result in the listing of the shares of this company on the Toronto Stock Exchange, and probably one or more recognized exchanges, either in the United States or Canada." Last month another shareholder was informed that unforeseen and unlooked for delays have prevented the listing of the stock, but that the company is endeavoring to conclude arrangements to that end at the present time. Considerably more information will be demanded by the Toronto Stock Exchange than the company has to date been willing to give out.

### Federal Gold Mines To Drive Third Tunnel

The low level tunnel on the property of Federal Gold Mines, located between the Congress and Minto mines in the Bridge River area of British Columbia, has been advanced 500 ft. from the adit and a steady daily footage of 10 ft per day is being maintained, according to a progress report issued by C. P. Riel, managing director. This tunnel is 303 ft. above the Bridge River highway.

A second tunnel at 600 ft. above the low level is also being driven. A third tunnel will be started early this month at a point 150 ft. below the upper tunnel.

In addition to driving these tunnels the company is continuing surface trenching of the known veins and exploring for more. Four shear zones with commercial ore indicated have been uncovered.

Finances for the present development programme are being provided by D. D. Bcque & Co., of Montreal.

**Arntfield Mill and Camps**

In Boischatel twp., Rouyn district, Quebec, a new gold producer was given to Canada. The above interesting photo, taken by Airmaps Ltd., Toronto, shows the new mill and camp site at Arntfield Gold Mines, controlled by Arntfield Mining Syndicate Ltd. The mill has a daily capacity of 125 tons, with buildings adequate to house machinery for 250 tons.

## Big Power Firms Hustle for Sites At Beaver Lodge

While names are not revealed, it is reported that several large electric corporations have applied to the Alberta Department of Natural Resources for hydro-electric sites in the Lake Athabaska mining area, one of the newer areas in Canada, to get extensive mining examination.

It is pointed out that there are three outstanding sites in the district, all within a radius of the mining field sufficient to make it economically possible to provide power. These sites are estimated to be capable of supplying up to 35,000 or 40,000 horsepower. They are located on Old Man River, the Tazin River and the Grease River, approximately 30, 40 and 80 miles from Beaver Lodge Lake respectively.

Under the regulations of the department, applications for sites must be accompanied by agreements to erect certain works over a period of time and corporations seeking an option on such sites are required to show financial ability to undertake the development proposed.

## *Current Chatter From B. C.*

**From Our Own Correspondent**

VANCOUVER. — Pioneer Gold Mines produced $270,000 in July, with expenses estimated at $65,000, and net of $205,000 before depreciation, depletion and taxes. This brings total output of the big Bridge River mine to $10,044,477, with the months of April and May, during which labor interfered with operations, estimated at $200,000. Gross recovery in July has been exceeded in only two other months, in June and March of this year. With payment of the 20 cents a share dividend July 2, the total paid out reached $3,290,890, equal to $1.90 per share upon issued capital of 1,751,750 shares out of authorized capital of the same number of shares of par value of one dollar.

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**Bralorne Production**

Total recovery for the year at Bralorne Mines Ltd., in the Bridge River district, was brought to $850,150 as a result of July's production, which grossed $134,540. More than 800 ounces of gold were produced in July than in the previous month, millheads showing an increase from .278 oz. to .322 oz of gold per ton, the tonnage handled advancing from 10,920 to 11,929.

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**Cariboo Gold Quartz**

Enlarged mill of Cariboo Gold Quartz near Barkerville will be in operation on a 150-ton basis by the end of August, according to President W. B. Burnett. Underground work is proceeding satisfactorily.

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**Reno's Record Good**

Despite the fact that Reno Gold mill was shut down for five days in July to cut in the North Forks pipe line and install a new grip shaft in the aerial tramway, gold to the value of $45,835 was milled during the month. The seven months total at Reno is $430,173, as compared with $553,758 for the whole of 1934. Average monthly production this year has been $61,453. June output was $55,140.

**Meridian Exchange**

Meridian Mining Co. announces that it is now exchanging old certificates for the new, under the recent capital reorganization plan. July output at Meridian was valued at $24,005. Concentrate produced from 3,479 tons of ore was 138 tons.

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**Smelters and Missouri**

Further indication of Consolidated Mining & Smelting Co.'s plans for operating at Big Missouri in the Portland Canal district on a large scale was given in the report that Smelters had taken an option on the adjacent Hercules group of claims. A survey is being made of the open cuts and prospect tunnels. Reports from the north are to the effect that Smelters engineers are well satisfied with Big Missouri possibilities.

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**Ruth Hope's Taxes**

If taxes are not paid in the meantime solicitors for the vendors of Ruth Hope mine have been instructed to take action to secure return of the property, and R. H. Stewart, president of the company, has sent a letter to shareholders suggestng that they contribute one half a cent per share as a loan to enable the company to meet the provincial tax liability of $2,000 on which an extension to November 30 has been secured.

### Ventures Will Drill At Fabian Lake, Que.

**From Our Own Correspondent**

SUDBURY. — Ventures Ltd., is undertaking a diamond drilling programme on a group of claims at Fabian Lake, Quebec, and a drill with operating crews has been dispatched from Sudbury to commence work. It is stated the property to be explored has similar geological characteristics to the Beattie Gold Mines, in which Ventures is interested. The drilling campaign will be under the supervision of A. J. Keast, of the Beattie mine.

Other drilling in Northwestern Quebec is scheduled for the Bousquet Lake district, east of Noranda.

## MILMAC APPROVES BOOSTING CAPITAL TO MAKE OFFERING

### Shareholders Hear Report from Engineer — Three Ore Zones

Shareholders of Milmac Mines, meeting in Windsor recently, unanimously adopted a resolution calling for a reorganization in capital structure. This resolution, details of which were reported in The Financial Post last May, provides that the present capitalization of 600,000 shares of no par value be divided into 3,000,000 shares of no par value and adds a further 500,000 shares of no par value to the capital stock of the company. Under this alteration Milmac Mines will have in its treasury over 1,800,000 shares. The Financial Post understands that part of this stock will be offered to the public in the near future and the proceeds used to finance underground development.

**$17,043 in Bank**

In the report of W. S. Maguire, secretary-treasurer of the company, it is revealed that total income from the sale of stock, from the time of the company's incorporation in December, 1933, until July 20, 1935, amounted to $48,987. Expenditures to date amounted to $31,944, leaving cash in the bank of $17,043 as of July 20. Against this cash item there are outstanding liabilities of $3,906, largely made up of two items, one of $1,406 owing to the president of the company for cash advances and the other of $1,818 owing to the treasurer for advances and for legal services. The Financial Post is informed by H. C. Miller that most of this indebtedness will be cleared up in the course of a day or so, leaving the company's holdings free of debt.

In the report of W. A. Hesse, company consulting engineer, it is stated that exploration work on the property, adjoining the Darwin Mine in the Michipicoten area, has revealed three major ore zones. Structurally Mr. Hesse states the property is in a favorable condition.

Recently the company acquired properties on the north and west to protect the dip and strike of the mineralized zones.

## SOME HOPE SEEN FOR McLEOD RIVER IN PEERS PLACER

### New Company to Attack River Beds With New Dredge

Materially strengthened by the purchase of a new 1,000 cu. yard daily capacity dredge, and, if present financing plans are a success, with sufficient funds to finance an adequate development programme, Peers Placer Gold Ltd. recently formed, will attempt to develop into a profitable operation, 10 miles of dredging leases purchased from McLeod River Mining Corp.

If the new venture is a success, it should give a much needed fillip to McLeod River Mining, whose stock, widely held throughout Canada, has been steadily declining since 1931.

Peers Placer Gold is capitalized at only one million shares, of no par value. McLeod River will receive 100,000 shares in the new company, $2,500 in cash, and $2,500 in 1936, 1937 and 1938. In addition, McLeod River will receive a royalty of three per cent on the gross production of Peers Placer.

Mansell E. Sweetman, who held exclusive option to purchase the two dredging leases from McLeod River, will receive 200,000 shares for these options. These shares will be held in escrow subject to the company receiving $60,000 from the sale of its shares, and subject to the approval of the Ontario Securities Commission.

Thus, with the five qualifying shares issued to directors of Peers Placer, the company will have outstanding, prior to the present issue being offered the public, 300,005 shares. Through Rittenhouse Hamilton & Co. members of the Toronto Stock Exchange, 500,000 treasury shares of Peers Placer are being offered at 20 cents per share.

**Costs 7c. Per Cubic Yard**

In conversation with The Financial Post, Mr. Sweetman, president of the new concern, and for many years closely connected with the affairs of McLeod River of which company he is a director, stated that officials believed $60,000 would be sufficient to put the company into production. It has been estimated by the company's engineer, R. B. Roll, that there are about 2,340,200 yards of gravel "blocked out," which will, it is estimated, yield an average value of about 31 cents per cu. yard. This average was obtained by taking 50 per cent of the average value indicated by drilling. Costs have been estimated at about 7 cents per cubic yard.

In addition to Mr. Sweetman, the board of Peers Placer comprises S. G. Tobin, vice-president, Norman R. Perry, Toronto; Andrew Dods, Mimico and D. Ben Coleman, Welland. K. D. Haywood is secretary, and C. E. Moran, treasurer.

**Siscoe Gold Mines**—July production is reported at $184,257 as compared with $182,935 in June and $181,294 in July, 1934. July production was from the treatment of 12,682 tons of ore. Average recovery was $14.52. June tonnage was 12,338 tons.

*I was*
READING *an* ARTICLE

in the paper the other day. The writer of this article was shedding tears faster than ink because so many things that we used to regard as institutions aren't with us any more. He said he thought it was a shame that the policemen no longer sported the big moustaches that were once their pride, and he sighed all over the paper for the lamplighter who used to go around at dusk on his bicycle lighting up the gas lights with his torch. I suppose we all feel a little bit that way, and the old family album, for all the fun we make of it, is still one of our six favourite books. Still and all, how many of us would go back? As we hurry on we discard non-essentials. The cigar store Indian was too slow for us, so we left him behind. And the poor fellow seems to have died of loneliness and heartbreak.

Speaking of the cigar store Indian, though, reminds me that there's one thing we can go back to; and that's a ten cent cigar. A lot of us have. Hence the smiles.

WILSON'S
**BACHELOR**
10¢ Cigar
100% Havana Filler


**Little Long Lac Gold Mines**—July output had a value of $88,000. This compares with a production of $86,500 in June. Estimated profit for July is $50,000.

**Pickle Crow Gold Mines**—July production amounted to $104,460 as compared with $95,000 in the previous month. Tonnage figures for the month are not yet available.

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